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U.S. and Allies Set Tighter Controls On Sales to Russia

By Joseph Fitchett
International Herald Tribune

PARIS — In a tense two-day meeting this week with other NATO nations and Japan about sensitive exports to the Soviet Union, the Reagan administration obtained general assent to the need to modernize the allies' system of safeguarding military technology, according to U.S. and European participants.

But the allies rejected pleas for a more sweeping clampdown on Western industrial cooperation with the Soviet Union, as sought by many hard-liners in the Reagan administration, according to sources familiar with discussions held in Paris on Tuesday and Wednesday by the Control Committee on Trade With Communist Countries (Cocotm).

"The Americans came with stringent demands, and we finally reached a compromise," a West European source said, adding that European governments had defended the principle of expanding European-Soviet trade.

West Germany and many smaller European governments reportedly said they needed industrial exports to the Eastern bloc to resist the economic slump and rising unemployment.

A Closed Meeting

The Cocotm meeting, the first large-scale meeting of the monitoring agency since it established the strategic committee against the Soviet Union at the height of the Cold War 20 years ago, was held behind closed doors, and delegates refused to comment publicly.

A laconic communiqué said the committee unanimously agreed about the need to review "adaptation of Cocotm's methods to the evolution of the world situation, notably in the field of strategic technologies."

But U.S. and European participants, speaking on condition they not be identified, provided an overall picture of a Reagan administration offensive to convince allied governments of the need for severely restricting Soviet access to Western technology and high-technology products.

The U.S. delegation was led by James L. Buckley, the undersecretary of state for security assistance, and it included key officials such as the Defense Department's undersecretary for policy, Fred Ikle, and the deputy assistant secretary of commerce, Bohdan Danyshuk, who have been outspoken about the need to curtail not only Soviet access to technology with military applications but also broader economic cooperation that

strengthens the Soviet Union's industrial base.

While resisting the more extreme U.S. views, Europeans reportedly agreed on the need for more sophisticated review procedures of exports.

To prove that nominally civilian technologies acquired in the West have been diverted to military uses by the Soviet Union, the U.S. delegation provided classified briefings to other participants about specific cases and about the alleged cumulative effect of Western know-how in enabling the Soviet Union to improve its military capability quickly and cheaply.

Invoking security, officials refused to divulge the cases, but they said many involved computer software, optical resolution, frequency-switching radios, printed microcircuits, metal fabrication and precision engineering.

NATO, at U.S. urging, is carrying out a major study to determine what specific military advantages may have accrued to the Soviet Union from Western exports during the last decade.

Explaining the Reagan administration's alarm, a senior official preparing for the Cocotm meeting explained recently in Washington: "During détente, the Soviets saved billions of dollars and many years in their military buildup because of the systematic way in which they combined legitimate purchases, espionage and access to open literature."

He added: "A major new development in the last few years is the way much of the most sophisticated research has moved out of the military-funded labs and into the private sector, where Soviet purchasing agents can acquire or acquaint themselves with it even before our security people recognize its military potential."

The Paris meeting, convened at U.S. request, heard U.S. proposals to:

- Shift the embargo criteria away from specific industrial items to concentrate on broad categories of "critical technologies" such as fiber optics and semiconductors.
- Get more military specialists in the Cocotm system of reviewing technology for its combat potential.
- Improve national bureaucratic systems for deciding which export items to submit for security review. The United States also wants other governments to follow its example in trying to mount better enforcement operations to detect and punish violators.

The proposal to focus on technologies, not just discrete materials, was not just discrete materials.

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120 Polish Intellectuals, Artists Petition for an End to Martial Law

By John Danton
New York Times Service

WARSAW — A sharply worded petition against martial law and its acts of repression signed by more than 120 leading intellectuals and artists was sent Thursday to the Polish parliament and the Roman Catholic primate, Archbishop Józef Glemp.

The petition, which includes an appeal to the United Nations Committee for Human Rights, is the strongest written protest to date against the Dec. 13 military takeover in Poland.

It presents the military authorities with a dilemma — whether to ignore a protest from such a large group of leading intellectuals or to try to act against them. Most if not all of the eight signatories of an earlier petition were briefly detained, interrogated and let go with a warning.

Bishops' Statement
[Polish Catholic leaders, in a statement made available Thursday, said martial law could provoke protest, rebellion and even war, Reuters reported. The statement will be read as a pastoral letter in churches throughout the country this Sunday or next. It demanded the restoration of freedoms and a resumption of political dialogue.

[The statement was signed by Poland's diocesan bishops and Archbishop Glemp. The 26 leading bishops met in Warsaw earlier this week and resolved to send a letter to the head of the martial-law regime, Gen. Wojciech Jaruzelski, at the same time as issuing their pastoral message.

"We protest against the brutal breaking of the workers' strikes by the militia and army, shooting people, beatings, internment of many thousands of persons in prisons and camps."

'Indignation and Protest'

The intellectuals' petition demands the lifting of martial law, the release of thousands of detainees, an end to measures against Solidarity union members and the resumption of dialogue with the Catholic Church and the legally elected authorities of the union.

"The methods used to intimidate and enslave the society cause our indignation and protest," it said.

EEC Cancels Plan To Send Cut-Rate Food to Poland

By Reuters

STRASBOURG, France — The Common Market Commission has suspended plans to make further subsidized food sales to Poland, Gaston Thorn, the commission president, announced Thursday.

But the panel proposed switching some of the money saved on the food program to humanitarian aid programs administered by non-governmental organizations such as the Red Cross, he said.

Mr. Thorn told the European Parliament that the subsidized food sales were no longer justified after the imposition of martial law in Poland last month.



The body of Lt. Col. Charles R. Ray was carried to a plane by a French honor guard Thursday past Ambassador Evan G. Galbraith, center, and Col. Ray's daughter, son and wife.

Killer of U.S. Colonel May Have Had an Accomplice

United Press International

PARIS — French police are convinced that the killer of an assistant U.S. military attaché, Lt. Col. Charles R. Ray, had an accomplice, and authorities have been questioning residents in the neighborhood where the officer was slain, investigators said Thursday.

Authorities also believe there may have been several witnesses to the shooting Monday in addition to a passer-by and a policeman who saw the killer from a distance and who have already reported to police.

The assailant, who killed Col. Ray with a

7.65mm gun, was described by the two witnesses as a Middle Eastern type, in his early 30s, of short build and dressed in a careless way, investigators said. They said they were convinced that several other persons had seen the killer but for various reasons had not reported it to the police.

The search for witnesses and possible accomplices was under way while the body of the slain diplomat, who was 43, was flown to the United States for burial. An honor guard of French Air Force commandos carried the flag-draped coffin aboard a U.S. military plane at Le Bourget airfield.

Moscow Alters Tone Toward U.S., Declares It Seeks No Confrontation

By John F. Burns
New York Times Service

MOSCOW — In what appeared to be a carefully timed signal to the Reagan administration, Premier Nikolai A. Tikhonov has said that the Soviet Union "does not seek confrontation" with the United States and is doing all it can "to direct the course of events into constructive dialogue."

The premier's remarks on Soviet-American relations, made at a luncheon Wednesday for foreign dignitaries, were the first that a top Kremlin leader has made on the subject since the Polish military crackdown last month deepened the chill between Washington and Moscow.

The remarks contrasted strongly with the tone of recent Soviet statements accusing the Reagan administration of "intensifying the arms race" and "aggravating the international situation."

Western diplomats said they believed that the speech was deliv-

ered with an eye to a meeting in Geneva next week between Foreign Minister Andrei A. Gromyko and Secretary of State Alexander M. Haig Jr.

The meeting, the first Soviet-American encounter at that level since the two men met in New York in September, was expected to cover a range of issues on which the two governments are sharply divided, including Poland and nuclear arms. [Story, Page 2.]

The 76-year-old Soviet premier spoke at a function for a visiting Angolan delegation, but a large portion of the speech appeared to be directed at the United States and Western Europe.

The apparent effort to improve the atmosphere for the Haig-Gromyko talks was coupled with a strong condemnation of the Reagan administration, which Mr. Tikhonov accused of "intensifying the arms race" and "aggravating the international situation."

to interfere in the internal affairs of Poland and to declare an economic blockade of Poland."

The premier also warned that the Soviet Union would respond in kind if its overtures for a dialogue were rebuffed.

"Those who prefer the language of threats and demonstrations of strength to a peaceful dialogue should understand that we will take all the necessary measures to ensure our security and the security of our allies and friends," he said.

But what attracted most attention among diplomats were Mr. Tikhonov's more conciliatory remarks.

"The Soviet Union," he said, "is not seeking confrontation with any Western country, including the United States of America. As in the past, we are doing everything we can to direct the course of events into the channel of constructive dialogue."

The premier said this had been

Begin Assures Reagan Israel Wants to Uphold Cease-Fire in Lebanon

By Bernard Gwertzman
New York Times Service

WASHINGTON — Prime Minister Menachem Begin, in a letter to President Reagan, has reassured him that Israel will not launch military attacks into Lebanon unless there is a "clear provocation" from Palestinian or Syrian forces, according to Israeli and administration sources.

The letter was delivered by Ambassador Ephraim Evron to Secretary of State Alexander M. Haig Jr. during a luncheon at the State Department on Tuesday, officials said. It was in reply to a recent message from Mr. Reagan to Mr. Begin expressing concern about the recent course of U.S.-Israeli relations, including U.S. apprehension about a possible Israeli move into Lebanon that might violate the six-month-old cease-fire there.

Officials in Israel briefed reporters on some aspects of the letter, and sources in Washington familiar with its contents also commented. The overall tone of the letter was said to have been friendly, in keeping with a common effort to avoid further recriminations and to put relations back on a cordial basis.

An official in Mr. Begin's office in Jerusalem said that the prime minister wrote Mr. Reagan that

the Israeli withdrawal from Sinai would be "a national trauma, painful and tremendously difficult."

The official said Mr. Begin had conveyed to Mr. Reagan the view that "the Egyptians are not helping us by their recent talk of self-determination and East Jerusalem. Why do they have to talk about these things at all at this time?"

U.S. vetoes a Security Council resolution assailing Israel for annexing the Golan Heights, Page 3.

The aide stressed that this was the sense of the letter, not the exact wording.

Mr. Begin was also reported to have told the White House that he was confident that Egypt would honor the peace treaty, at least until the withdrawal, which is scheduled to be completed April 25. He repeated his pledge to carry it out on time.

Mr. Haig was in Israel and Egypt last week and will return there next week as part of an U.S. effort to provide new impetus to the inconclusive negotiations on Palestinian self-rule. In his letter, Mr. Begin pointed out that Israel was unhappy with recent statements from Egyptian leaders that the autonomy talks should lead to

"self-determination" for the Palestinians in the West Bank and Gaza Strip, Israeli officials said.

Mr. Haig, during his talks last week, found that the basic disagreement between Egypt and Israel was over the ultimate goal of Palestinian autonomy, a concept agreed to in outline form during the Camp David agreements of September, 1978. The negotiations are for establishing the ground rules for a Palestinian self-governing authority that would run local affairs for an interim five-year period during which negotiations would be held for determining the final status of the lands inhabited by about 1.3 million Palestinian Arabs.

The Egyptians stress that the "full autonomy" called for in the Camp David accords means that the Palestinians should eventually have "self-determination," leading in a separate state or some confederation with Jordan. The Israelis, who are opposed to a separate Palestinian state, regard the expression "self-determination" as a code word for a state.

U.S. officials said Mr. Begin wanted to reinforce his opposition to any Palestinian state in his letter to Mr. Reagan.

Of more interest to the American

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Nikolai A. Tikhonov

"exactly the aim" of the Kremlin's "new foreign policy initiatives," including proposals put forward by the Communist Party leader and president, Leonid I. Brezhnev, during a visit to West Germany in November.

The centripetal force of these proposals was Mr. Brezhnev's call for a "moratorium" on the deployment of new Soviet and U.S. medium-range missiles.

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Pentagon Said to Back C-5s for Crisis Force

By Richard Halloran
New York Times Service

WASHINGTON — The Defense Department has recommended to President Reagan that 50 Lockheed C-5 Galaxy cargo aircraft, once a symbol of Pentagon cost overruns, be bought to start a multimillion-dollar program of acquiring aerial transport for the Rapid Deployment Force, congressional officials said.

The Air Force, meanwhile, signed contracts Wednesday with Rockwell International worth \$2.2 billion to begin building a fleet of the new B-1 long-range bombers, 100 of which are scheduled to be completed by 1989. The first B-1 is due off the assembly line in early 1985.

The Galaxy recommendation, long awaited after a heated competition and much political infighting, drew an unusually testy comment from the loser, McDonnell Douglas, which said it was dismayed by a decision that made a "mockery" of the competitive process.

Although the Pentagon has made no official announcement, staff members of the Georgia and Missouri congressional delegations disclosed details of the recommendation Wednesday. The Lockheed plane would be produced in Georgia; the McDonnell Douglas headquarters is in St. Louis.

The congressional officials said they considered the recommendation tantamount to a decision since Mr. Reagan, who apparently intends to include the program in the 1983 military budget that goes to Congress next month, has gone along with the vast majority of recommendations from Secretary of Defense Casper W. Weinberger.

Worth \$4.58 Billion

The Lockheed order, the congressional officials said, calls for contracts worth \$4.58 billion, with the first plane to be finished in 1985 and the production run to be completed by 1989.

If Mr. Reagan approves the recommendation as expected, it would mean reviving the production of a highly controversial aircraft. The Lockheed C-5 cost

about \$2 billion more to build than planned, plus \$1.4 billion to replace wings found to be too weak to sustain long hours of flying.

For the taxpayers, those contracts would be the first installment in two expensive, long-range programs. Pentagon officials have estimated that the total cost of the C-5s over the life of the program would be \$25 billion, while some congressional officials said their estimates run up to \$40 billion. The cost of the fleet of B-1 bombers has been set at \$20.5 billion, with some congressional estimates running up to \$30 billion. Neither figure included inflation factors or operating costs.

The transport planes are intended to carry tanks and other vehicles, helicopters, ammunition and supplies for the Rapid Deployment Force if it is sent to the Gulf region. The planes would also serve U.S. forces in Europe or South Korea and their reinforcements.

After the deployment force was formed in 1979, the Air Force began evaluating candidates for what was known as the C-X aircraft, a new cargo plane. Among them was an updated version of the Lockheed C-5, with advanced electronics; a new plane called the C-17, proposed by McDonnell Douglas; and a military version of the Boeing 747 passenger airliner.

Developer Picked

Last August, Air Force Secretary Vernon Riffe announced that McDonnell Douglas "has been selected as the Air Force's prime contractor to develop the C-X cargo aircraft." But the announcement added: "The selection of McDonnell Douglas as the prime contractor does not represent an Air Force commitment to build the C-X."

Even so, Lockheed in September made what it called a "firm, fixed price" offer of \$4.18 billion for 44 aircraft, contending that no funds would be needed for research and development, that it could deliver operating aircraft earlier than other candidates and that the Air

(Continued on Page 3, Col. 1)



President Reagan responded to applause after giving a speech to top government officials in which he said his administration had "laid the foundations for economic recovery and national renewal." Secretary of State Alexander M. Haig Jr. is at right and Vice President Bush is at left.

Reagan Reported to Favor Gasoline-Tax Rise

By Edward Cowan
New York Times Service

WASHINGTON — President Reagan, wrapping up decisions on his proposed 1983 budget, has decided to ask Congress for temporary increases on federal excise taxes on gasoline, cigarettes, alcoholic spirits and wine but not on beer, administration officials report.

The president's decision to seek a rise in the gasoline tax, now 4 cents a gallon, was made at a White House meeting with senior officials Wednesday and was a rebuff to supply-side economists at the Treasury Department.

Only a few hours earlier officials reported that Mr. Reagan had accepted the view of the supply-side advocates that an increase in the gasoline tax might act to discourage work because millions of people commute to work by car.

The White House communications director, David R. Gergen, cautioned reporters Thursday that

the president had not made his final decision. Mr. Reagan told his staff Thursday morning, according to Mr. Gergen, that it would be "unwise" to speculate on his decision.

Mr. Gergen said the president "does not plan to lock in too several important issues until he has had an opportunity for further discussions."

Emarked for States

Mr. Reagan is expected to ask Congress to earmark part or all of the additional excise tax revenues for distribution to the states as part of a larger proposal. The president is expected to outline the fiscal package, to include assignment to the states of some federal responsibilities, in his State of the Union address next Tuesday.

After the White House meeting, one aide said the president had made "major decisions" and that the basic concept of Mr. Reagan's "new federalism" program was now agreed upon.

Under the program, the federal government would turn the responsibility for several major programs over to state and local governments and at the same time increase some taxes, with the revenues given to the states to help pay for the programs.

The White House official said Mr. Reagan approved several details on how this concept would be carried out but left others to be worked out later.

He also said that, in his State of the Union address, Mr. Reagan will announce several other domestic initiatives, including major aspects of the "new federalism."

The White House meeting appeared to conclude what has been a prolonged and apparently difficult deliberation by Mr. Reagan on whether to seek tax increases, one official said. Decisions were reached late in December on proposals to make \$31 billion in spending cuts for fiscal year 1983. Fiscal 1983 starts next Oct. 1.

Budget officials said that Mr.

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Lending Rates Cut

The West German and Dutch central banks announced ½-percentage-point cuts in their key lending rates, Page 7.

Steel Suits Filed

A week after U.S. producers of carbon steel filed more than 100 trade complaints against foreign firms, five U.S. specialty steel companies have filed similar complaints against Japanese steelmakers, Page 7.

Immigration Shift

New U.S. immigration regulations will nearly double the number of Chinese from the mainland who are able to join their relatives in the United States. The Taiwan quota remains unchanged, Page 5.

Haig to Give Gromyko U.S. Views on Poland At Meeting in Geneva

By Don Oberdorfer

Washington Post Service

WASHINGTON — Secretary of State Alexander M. Haig Jr. will take U.S. objections to Soviet pressures on Poland in person to the Kremlin's leadership in a meeting early next week with Soviet Foreign Minister Andrei A. Gromyko, according to official sources.

The planned discussions in Geneva between Mr. Haig and Mr. Gromyko are also expected to cover a possible Soviet-American summit meeting and the beginning of a new round of talks on the limitation of strategic arms.

Moscow Aide Alters Tone Toward U.S.

(Continued from Page 1)

range nuclear missiles, preparatory to an agreement at negotiations in Geneva in which, he said, the Kremlin would be prepared to reduce its medium-range nuclear arsenal by up to dozens but by hundreds of units.

Mr. Brezhnev's proposal and one by Mr. Reagan urging the Russians to dismantle all their medium-range rockets in return for agreement by the Western alliance not to proceed with the deployment in Europe of a new generation of U.S. missiles were placed on the table when the talks opened in Geneva on Nov. 30.

Little Progress

There appears to have been little movement since then, but Mr. Tikhonov, in his speech, appeared to be saying that both sides should compromise so as to reach an agreement that could lead on to accommodations on other arms matters.

"In our opinion, the talks that have started in Geneva create a possibility for making a step, which is so important now, in solving the entire set of questions of arms limitations and disarmament," he said. "All that is needed for the successful conduct of the talks is recognition of the principle of equality and equal security."

Some diplomats approached the speech with caution, saying that it fitted well into the main thrust of recent Soviet statements that seemed aimed at wooing Western European nations away from the United States on issues like Poland and disarmament.

Especially since the declaration of martial law in Poland and the tough U.S. response that followed, the Kremlin has depicted itself to Western Europe as a peacekeeper striving to bring sense to "militarists" and "warmongers" in Washington.

By adopting a conciliatory stance before the Haig-Gromyko talks, the diplomat said, the Kremlin appeared to be taking this approach one step further.

Although Soviet news organizations have reacted harshly to the stiffening stance of some Western European governments on Poland, general Soviet statements have continued, in effect, to try to lure the Europeans into a neutral stand.

[The State Department confirmed Thursday that Mr. Haig and Mr. Gromyko would meet next week but said the talks had been cut from two days to one. Reuters reported from Washington, Alan Romberg, a State Department spokesman, said the meeting would be held Tuesday in Geneva and would focus on Poland. He said the talks had been cut to one day because of Mr. Haig's busy schedule, adding, "We are confident that in the current climate we can accomplish our objectives in one day."]

Word of Mr. Haig's intention to take up the Polish issue with Mr. Gromyko came Wednesday from Mark MacGuigan, the Canadian secretary of state for external affairs, who conferred with Mr. Haig on Tuesday in Washington. Mr. MacGuigan said Mr. Haig regarded Poland as being on the agenda of his sessions with Mr. Gromyko, as well as "questions of arms control" that were originally planned as the centerpiece of the sessions.

It had been widely anticipated that Mr. Haig and Mr. Gromyko would use the Geneva meeting to agree on the beginning of restructured strategic arms negotiations, which the Reagan administration has called START, an acronym for strategic arms reduction talks.

However, officials said a move toward such talks next week is still an open question within the government, with some policy-makers questioning whether this is appropriate in view of the Polish situation.

Mr. Reagan, following the onset of martial law in Poland, reiterated his interest in a summit meeting with Mr. Brezhnev sometime in 1982.

Following up on Mr. Reagan's statement at a news conference Tuesday that "the situation in Poland is deteriorating," the State Department issued an unusually long status report Wednesday to rebut the Polish government's arguments that life is returning to normal there.

The State Department statement said "there are still no signs of any substantive dialogue with the elected leaders of Solidarity" after five weeks of martial law. The statement also charged, among other things, that "thousands remain in detention" and that the number of those detained "reportedly is growing."

Washington's efforts to keep a harsh spotlight on the martial law in Poland come as the North Atlantic Treaty Organization prepares for a special meeting Saturday on U.S. and allied sanctions in the Polish situation.

Scotland Minister Is Rebuked, Quits

The Associated Press

LONDON — The solicitor general for Scotland resigned Thursday after he was rebuked by Prime Minister Margaret Thatcher over the handling of a rape case.

Nicholas Fairbairn, 48, the government legal officer for Scotland, told the House of Commons that he was reprimanded by Mrs. Thatcher for talking to the press before making an official statement on the case. He was explaining why prosecutors had failed to bring to trial three teen-agers who allegedly raped a Glasgow woman.

In his letter of resignation, made public by Mrs. Thatcher's office, Mr. Fairbairn said that he was "entirely satisfied" with the way the rape case had been handled, but he admitted "errors of judgment" in speaking to the press.

from participating countries — Japan and all the NATO allies except Iceland.

Similarly, the United States has been unable to beef up their institutional arrangements to prevent sales of sensitive technologies by mistake or intentionally. The Reagan administration has mounted a drive involving the FBI and Customs, including an intensive effort in California around the microcomputer research companies.

This U.S. effort to persuade other governments to follow the U.S. example is being conducted without publicity to avoid allegations of interference in other nations' internal affairs, diplomats say.

All these Cocom proposals on closer trade supervision involve sharp in-fighting within governments — including the United States.

While Europeans sought to restrict the Cocom discussion to technology with obvious military application, many Reagan administration officials argued privately for a broader effort to restrict economic exchanges with the Soviet Union in an effort to force the Kremlin to divert more resources away from arms, the sources said.

But European officials invariably retorted that the Reagan administration is poorly placed on this issue because it maintains large grain sales to Moscow. U.S. technological exports are small compared to European industrial

Koivisto: Innovator In Finnish Politics

By R.W. Apple Jr.

New York Times Service

HELSINKI — A month or so ago, one of the eight candidates in this week's Finnish presidential election told a friend that he felt as if he was running against an opponent with a charmed life.

"If a reporter asks me a question on television," Johannes Virolainen, the candidate of the agrarian Center Party, said, "and I tell him I don't know the answer, the voters say that I'm stupid or ill-informed. If Mauno Koivisto does the same thing, the voters say to themselves, 'At last, we have found an honest man.'"

This week, Mauno Koivisto, a 58-year-old Social Democrat who has been premier since May, 1979, and acting president since Sept. 11, swept to victory in the first round of the election. The victory was so convincing that politicians and pundits agreed that his selection by the electoral college next Tuesday as Finland's first leftist president seemed a mere formality.

A Man Above Politics

More than anything else, Mr. Koivisto, a carpenter's son who has never held a seat in parliament or any elective office, appeared to owe his triumph in the balloting held last Sunday and Monday to his ability to convince the electorate that he was above politics.

Many of his peers consider him a deft politician, but the public considers him a kind of anti-politician — a self-made man, hardy and self-reliant, who conforms to the image that the Finns have of themselves and who, many polls have attested, inspires trust.

Mr. Koivisto has never been closely linked with Urho Kekkonen, 81, a centrist who achieved a towering reputation as Finland's chief of state for more than 25 years. When Mr. Koivisto refused last year to dissolve

his government at Mr. Kekkonen's suggestion, a Helsinki journalist commented that "the country decided it had found someone with the guts to fill the old man's shoes."

Incapacitated by arteriosclerosis, Mr. Kekkonen went on medical leave on Sept. 11 and resigned as president on Oct. 27. The resignation is due to take effect with the swearing-in of the new president next Wednesday, a change in leaders that many in Finland feel has been long overdue.

Assurances for Moscow

Mr. Koivisto's experience in foreign policy is limited, and the conduct of foreign policy, in the Finnish system, is one of the president's main responsibilities. This involves keeping the Soviet Union assured that its security will not be threatened through Finnish territory.

Like all other candidates in the election, Mr. Koivisto supports continuation of that approach as the only possible course for Finland, and he said late last year that "stable and confidential relations with the Soviet Union have been and will be the central element in Finland's foreign policy."

His role, as Mr. Koivisto puts it, has been that of "the last goalkeeper of the economy." The Social Democratic leader, a moderate whose policies resemble those of Chancellor Helmut Schmidt of West Germany more than those of President François Mitterrand of France, is due to take office with a strong mandate.

To Finnish presidential candidates he was approached, as the candidate of one party, the 44 percent of the popular vote that Mr. Koivisto polled, although Mr. Kekkonen, as the nominee of several parties in recent elections, exceeded that figure.

According to final returns, Mr. Koivisto's supporters won 145 of the 301 electoral-college



Mauno Koivisto playing volleyball at a Helsinki gym.

seats, or six short of a majority, but Mr. Koivisto has been promised the support of more than enough others to secure victory.

Jari-Magnus Jansson, one of his rivals, said in an interview, "Of course he'll win, because we know the public would be outraged if somehow it were taken from him."

Mauno Henrik Koivisto was born Nov. 25, 1923, in Turku, a city on Finland's southwest coast. His family was poor, and he worked on the docks and later as a teacher to earn money to pay for his education. He was 33 years old by the time he received his doctorate in sociology in 1956, and by then he was working as a vocational guidance counselor for the city of Turku.

In 1958 he joined the Helsinki Workers Savings Bank, and the next year he was named managing director. A job he held for eight years. In 1968 he was named Governor of the Bank of Finland. He has served as Finland's representative to the International Monetary Fund since 1970.

Mr. Koivisto was chosen as finance minister in 1966, a post he held twice, and he has twice served as premier in governing coalitions of the center-left. He

first headed a government in 1968-70.

Mr. Koivisto says very little in public for a politician and, when he does talk, understates the case. He is often remarkably candid.

"The only thing I know about the economy," he once said, "is that it's going to get worse."

He lives in a small apartment in the center of Helsinki with his wife, Tellervo, whom he married in 1952, and spends a good deal of time outside of town at a log cabin, much of which he built himself. He also likes to whittle.

The Koivistos have one daughter, Aasi, who is 24. Both Aasi and Tellervo Koivisto will be among the electors voting for him next Tuesday, having easily won seats in the electoral college in this week's elections.

On Monday night, while the first returns were coming in, Mr. Koivisto was playing volleyball as he does every Monday. He made no effort to exclude photographers from the game, and so the next morning's Helsinki Sanomat, the nation's leading daily, carried a six-column picture of the electoral victor, socks sagging a bit, hair plastered against his forehead, glugging water from a paper cup at halftime. His team won, 3-2.

Reagan's Explanation of Errors On Jobless Rate Doesn't Add Up

By Lee Lescaze

Washington Post Service

WASHINGTON — President Reagan, trying to explain one of the misstatements he made about unemployment at a news conference, has added to the confusion with an apparent slip of the tongue.

The president told about 1,500 political appointees assembled to celebrate the first anniversary of his inauguration Wednesday that he was distressed by news reports that he had misstated numbers dealing with unemployment.

He defended his claim at a news conference Tuesday that "there are a million people more working than there were in 1980." Mr. Reagan rejected the objection of those who pointed out that there were 508,000 fewer people working in December than when he took office last January.

"That isn't the way you use the figures," he said. Mr. Reagan said he was comparing average employment for 1980 and 1981. This calculation, the president said, showed that an average of 97,270,000 people were working each month in 1980 and 98,318,000 in 1981.

But this explanation became confusing when he incorrectly said the difference between these two

numbers was 148,000, instead of 1,048,000.

To compound the tangle, the deputy White House press secretary, Larry Speakes, later told reporters that the real 1981 figure was 98,313,000, or 5,000 less than the one the president used.

While Mr. Reagan and Mr. Speakes explained that the president was using an annual average at his news conference — although he had not said so — Mr. Speakes said there was no explanation for where Mr. Reagan got the most politically sensitive of his several unemployment-number mistakes: his assertion that the rise in the unemployment rate, which hit 8.9 percent last month, was a continuation of an increase that got under way "in the last months of the Carter administration."

In fact, unemployment declined from 7.6 percent to 7.5 percent in 1980. Mr. Carter's final three months and remained at 7.4 percent last January, the month of Mr. Reagan's inauguration. Then it declined to 7 percent last July before beginning the present rise.

Mr. Speakes offered an explanation for how the president got that information confused or for Mr. Reagan's use of inaccurate numbers for the average unemployment rates in 1980 and 1981. "I don't think we can assess any

blame on those," Mr. Speakes said.

Administration officials said that the figures on unemployment were sent to Mr. Reagan with other papers by the chairman of the Council of Economic Advisors, Murray Weidenbaum, just before the news conference. These same officials said the briefing papers did not include inaccurate information.

Officials said that using annual unemployment averages is more "historically meaningful" than looking at the monthly fluctuations.

Cheers and Whistles

Mr. Reagan received enthusiastic cheers and whistles from the deputy secretaries, assistant secretaries, undersecretaries and others assembled on the anniversary.

He told them they must keep up the fight against big government. "When you're up to your armpits in alligators it's sometimes hard to remember that you're here to drain the swamp," he said to the roughly 1,500 of his 2,200 top government appointees who attended.

While Mr. Reagan was receiving his triumphs, the Democratic National Committee rounded up staff members, interns and students to provide an audience for a denunciation of what it termed the unfairness of the Reagan program.

Polish Unit Gets Petition

(Continued from Page 1)

Gdansk as a background for an overtly political film about workers' grievances that led to rebellion.

Walesa's Wife Accuses Regime

WARSAW (WP) — The wife of Lech Walesa, the Solidarity leader, has accused the military authorities of holding her husband illegally and complained that she has never received formal notification of his detention.

Danuta Walesa's allegations are contained in a letter that she sent to the public prosecutor in Gdansk earlier this month demanding an investigation.

The 38-year-old Solidarity chairman was detained at his home in Gdansk early Dec. 13. He was then flown to Warsaw, but government spokesmen repeatedly denied that he had been interned.

TV Project

From Agency Dispatches

PARIS — The Polish government said Thursday in Warsaw that U.S. plans for an international television show on Poland, featuring President Reagan along with other world leaders and American entertainment figures, were provocative.

Mr. Reagan has proclaimed Jan. 30 as "Solidarity Day" in the United States. The European Parliament also approved a resolution Thursday making Jan. 30 a day of solidarity with the Polish people.

The U.S.-sponsored TV show, part of international efforts to express support for the Poles, will be beamed around the world by satellite on Jan. 31.

U.S. officials said Thursday that Prime Minister Pierre Elliott Trudeau of Canada and Prime Minister Malcolm Fraser of Australia had joined the list of world leaders who would participate in the show.

WORLD NEWS BRIEFS

Armenians Reported to Halt Attacks

From Agency Dispatches

BEIRUT — A telephone caller claiming to represent an Armenian underground group said Thursday it was temporarily halting its attacks on Swiss targets until the case of one of its imprisoned members was resolved.

But the statement telephoned to a news agency office said the Secret Army for the Liberation of Armenia's struggle against Turkey would continue. The drive against Turkish diplomatic missions and airline offices abroad has taken the lives of 21 diplomats, embassy staff members and relatives since 1975.

In connection with one such attack, Mardiro Jangotchian was arrested by Swiss authorities last June 9 and was later tried and sentenced 15 years' imprisonment. The Secret Army retaliated by attacking several Swiss institutions in and near Geneva in a bid to secure his release.

U.K. Coal Miners Accept Pay Offer

The Associated Press

LONDON — Britain's 250,000 coal miners have rejected a strike and accepted a 9.3-percent pay increase, averting a confrontation with Prime Minister Margaret Thatcher.

Leaders of the National Union of Mineworkers, which announced the results of the weeklong balloting Thursday, had urged miners to reject the offer from the state-run National Coal Board. The union's executive board had threatened a nationwide strike unless the coal board approved a 23.7-percent pay increase.

The union said 55 percent of the miners who voted favored accepting the offer. Arthur Scargill, the union's president-elect, conceded Tuesday that he had failed to win enough support for a strike.

Foreign Students in Italy Checked

United Press International

ROME — The police have increased surveillance of non-Italian university students, especially Arabs, following the kidnapping of U.S. Gen. James L. Dozier and charges that Italian terrorists are aided by Middle Eastern intelligence services.

Authorities revealed the extraordinary measures Wednesday after arresting six Arabs near the central city of Perugia. The six, who were carrying instruction manuals on time bombs and handling heavy weapons, were expelled from Italy.

Two weeks ago authorities expelled five Libyan students accused of espionage, the police said. Three days ago authorities charged five Iraqis and two Egyptians on espionage, arms-smuggling and murder charges and handed down 5-year prison sentences to a Jordanian Syrian and three Italians on charges of smuggling a Soviet SAM-7 jet aircraft rocket into the country.

70 Said to Die in Turkish Custody

United Press International

LONDON — More than 70 persons are reported to have died in custody of Turkish authorities since the military takeover in 1980, Amnesty International, the human rights group, reported Thursday.

The London-based group said it had sent another appeal to the Turkish government to investigate the incidents. Amnesty said it had received "detailed reports of savage beatings, electric shock, sexual abuse and wide range of other torture" of 68 prisoners in Turkey, which has been under martial law since a coup Sept. 12, 1980.

Turkish Premier Bulent Ulusu said recently the authorities had started investigations into 370 torture allegations. Of 153 inquiries completed, 43 had been referred to the courts, he said. He added 28 persons were held in custody in connection with torture cases and 69 were free pending trial.

Romania Asks Russia to Quit Kabul

Reuters

VIENNA — President Nicolae Ceausescu of Romania has called on the Soviet Union to withdraw its troops from Afghanistan, the Agerps news agency reported Thursday.

In a speech Wednesday night at a dinner in honor of visiting President Mohammed Zia ul-Haq of Pakistan, Mr. Ceausescu also called for a halt to outside aid for Moslem rebel forces fighting the Kabul government. "Romania has always stood for a political settlement through direct negotiations with the [Afghan] government," Mr. Ceausescu said.

Romania previously has implicitly criticized the presence of Soviet troops in Afghanistan.

2 Arabs Given Life for Vienna Attack

The Associated Press

VIENNA — Two Arabs accused of a machine-gun and grenade attack on people leaving a synagogue were sentenced to life imprisonment Thursday.

Two persons were killed and about 30 injured in the assault on crowd leaving a bar mitzvah ceremony Aug. 29, Marwan Harnati, a 21-year-old Jordanian, and Husam Mohammed Rajih, 21, born in Bagdad, were found guilty of murder and attempted murder. Mr. Rajih, who was also indicted for the slaying of a Vienna city councilman, Hei Nittel, the head of the Austrian-Israeli Friendship Society, was also convicted of being an accomplice in his assassination.

Meanwhile, the Brussels prosecutor's office filed a request for extraditing Mr. Rajih, who is also accused of having killed the PLO representative in Brussels, Naim Khaden, in June.

U.S. Oil Royalty Program Revamped to Stop Cheaters

The Associated Press

WASHINGTON — The Reagan administration announced Thursday a major overhaul of the government's oil royalty collection program to halt cheating by oil companies, which has been costing the Treasury \$500 million a year.

Interior Secretary James G. Watt said proposed changes should allow the country to collect between \$200 million and \$650 million more annually in the \$4-billion program in which the oil industry pays for the right to produce oil and gas on federal lands.

Mr. Watt said he was creating a Minerals Management Service in the department with added inspectors and auditors to police the

Fishermen March in Rome

The Associated Press

ROME — About 65,000 fishermen demanding lower fuel costs for their boats and higher pollution controls marched through central Rome on Thursday, blocking traffic for hours.

U.S. officials asserted that negotiating the strategic cooperation agreement with the United States by both sides that was under way take actions without consulting other interests in the U.S. view, Golan action by Israel then violated the spirit of the agreement.

In his letter he also questioned the legality of the U.S. action in suspending the strategic cooperation accord. He noted, according to Israeli officials, that the agreement permits a six-month notice to abrogate the agreement, but says nothing of a suspension.

Typhoon Kills 2 in Java

The Associated Press

JAKARTA — A typhoon that hit the coast here district of Slemeh killed two persons and injured 123 others, three seriously, the afternoon daily Sinar Harapan said Thursday.

Linowitz Sees Begin

JERUSALEM (UPI) — Thimer U.S. Middle East envoy Linowitz met Thursday with Begin and expressed his belief an agreement on Palestinian autonomy can be reached.

"If both sides negotiate in faith, an autonomy agreement can be reached even before April 1982, adding that the United States had put the matter "on the burner," Mr. Linowitz, here private visit, also conveyed a message to the prime minister, President Hosni Mubarak of Egypt.

U.S. Gains General Assent at Cocom Meeting

(Continued from Page 1)

factured items, covers broad categories of industrial goods such as the fabrication of specialized metals including aluminum that could be used for military purposes.

A related U.S. worry involves supplying the Soviet Union with technical know-how to operate a sustained, high-quality industrial plant that contributes to the nation's military infrastructure.

To prevent this, Reagan administration officials frown on exports of turnkey plants and operating manuals to the Soviet Union.

To inject more military sophistication into Cocom, the United States wants to create a military committee to reinforce the existing machinery staffed by diplomats

from participating countries — Japan and all the NATO allies except Iceland.

Similarly, the United States has been unable to beef up their institutional arrangements to prevent sales of sensitive technologies by mistake or intentionally. The Reagan administration has mounted a drive involving the FBI and Customs, including an intensive effort in California around the microcomputer research companies.

This U.S. effort to persuade other governments to follow the U.S. example is being conducted without publicity to avoid allegations of interference in other nations' internal affairs, diplomats say.

All these Cocom proposals on

closer trade supervision involve sharp in-fighting within governments — including the United States.

While Europeans sought to restrict the Cocom discussion to technology with obvious military application, many Reagan administration officials argued privately for a broader effort to restrict economic exchanges with the Soviet Union in an effort to force the Kremlin to divert more resources away from arms, the sources said.

But European officials invariably retorted that the Reagan administration is poorly placed on this issue because it maintains large grain sales to Moscow. U.S. technological exports are small compared to European industrial

sales to the Soviet Union, at least in terms of their impact on the exporters' economies.

As part of the U.S. drive to dry up Soviet ability to exploit Western industrial advances, the Reagan administration is also advocating a reduction in scientific exchanges with the Soviet Union. "It's proved a one-way street, with the West learning about Soviet archaeology while Soviet nuclear physicists snook around U.S. labs whose work includes classified government research," a U.S. official said.

Some officials in the Reagan administration are also trying to restrict the amount of scientific information that circulates in unclassified form in the United States.

While the planned Siberian gas pipeline to Western Europe was not on the Cocom agenda, a senior U.S. official attending the meeting told reporters that the United States deplored the prospect of large Soviet hard-currency earnings from it that would finance future purchases of Western technology.

If the United States managed to deny all U.S. technology and know-how to the pipeline, he said, the project would be delayed, cost much more and operate at much lower efficiency.

Such an effort, he acknowledged, would involve tricky legal efforts aimed at canceling retroactively U.S. licensing agreements with Western European companies involved in the project. No such decision had been made by the Reagan administration, he said.

1 Dies in Costa Rica Clash

The Associated Press

SAN JOSE, Costa Rica — At least 100 persons were arrested after a clash Tuesday between security forces and striking banana pickers left one man dead and another wounded, a government spokesman said.

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U.S. Vetoes Measure On Golan Dispute in UN Security Council

By Bernard D. Nossiter

UNITED NATIONS, N.Y. — The United States vetoed a compromise Security Council resolution that called for the punishment of Israel for annexing the Golan Heights.

Nine nations, the minimum number required for approval, voted Wednesday for the resolution. Britain, France, Japan, Ireland and Panama abstained.

The resolution's vague central passage said nations "should consider" unspecified measures to reverse Israel's action, a form of voluntary sanction. But the document also said countries should cut Israel off from all aid, a demand for undefined compulsory measures.

All of this was far less severe than Syria's original demand that nations break military, economic and diplomatic relations with Israel. It was also milder than the text Syria backed last Friday, a call to cut off arms and suspend economic aid.

the takeover of the Golan Heights was one more instance.

Mr. Troyanovsky said Israel could not engage in such a course without U.S. support and accused Washington of giving Israel "a mandate" to annex the Golan Heights. American words of disapproval and its suspension of the strategic cooperation accord with Israel that followed the takeover were a mask. "The U.S. and Israel are forging a strategic alliance in the Middle East," the Soviet delegate said.

Mr. Troyanovsky voted for the resolution along with China, Poland, Spain, Uganda, Guyana, Jordan, Zaire and Togo.

For Israel, Yehuda Z. Blum dismissed "exercise of this kind" that "cannot contribute to the promotion of peace." Instead, he said, "honest dialogue and negotiation" are required. Mr. Blum appealed to Syria "to abandon the path of confrontation and hatred" and accept Israel's offer for unconditional negotiations on all the issues between them.

For Syria, Dia-Allah el-Fattal, his voice quivering with rage, denounced the U.S. veto as "tyranny" and declared that it "unmasked the real face of the United States of America." He said it was an "abuse of veto power to aim at aggravating a situation." The United States is "protecting the aggressors against its victims," he said.

The resolution killed by the U.S. veto crowned a long round of diplomatic bargaining. Last month, the council gave Israel until Jan. 5 to rescind its annexation and called for "appropriate measures" if it did not.

'Reward' to Israel Seen

DAMASCUS (UPI) — Syria said Thursday the U.S. veto was a "reward" to Israel for its annexation of the Golan Heights and a threat to the security of the Middle East and the world.

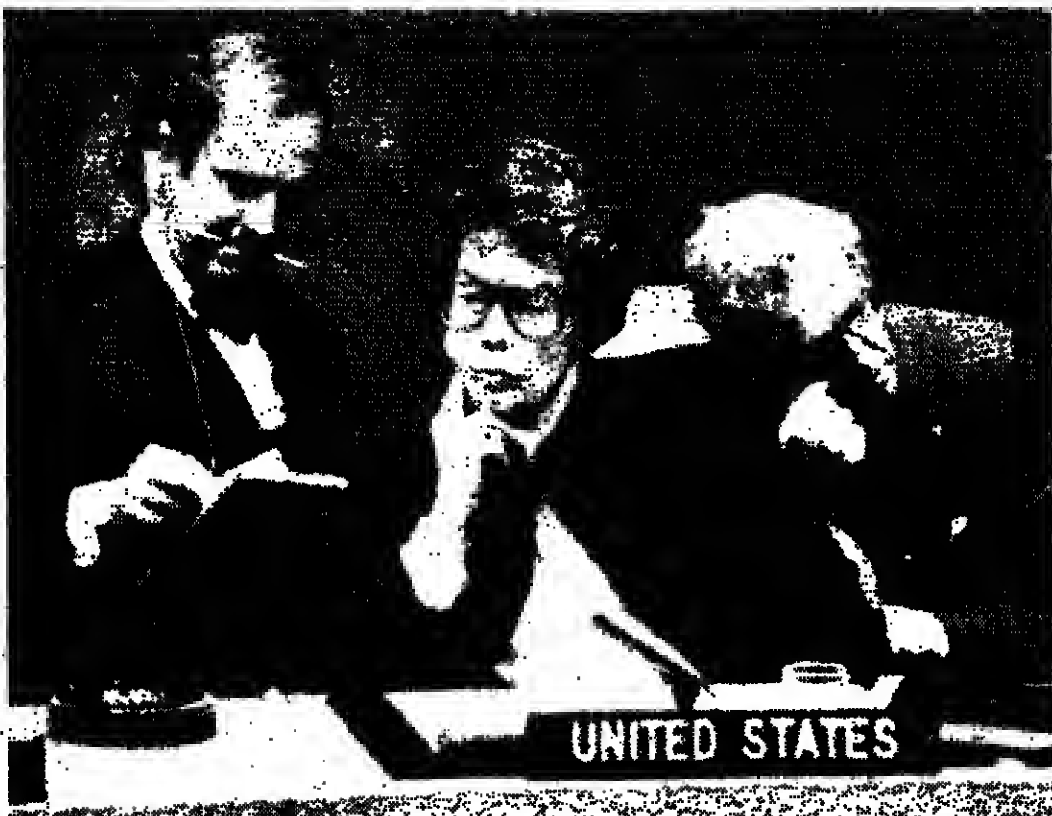
The state-run newspaper Tishrin said that the veto proved Washington's animosity toward the Arabs. "The U.S. veto, before anything else, means exposing the security of the region and the world to grave dangers," the newspaper said in an editorial.

Russia Reportedly Force-Fed Priest

LONDON — A Russian Orthodox priest imprisoned last year on charges of anti-Soviet agitation was force-fed by the authorities in a successful attempt to end a recent hunger strike by the priest, a Roman Catholic group said Thursday.

The Rev. Gleb Yakunin, 47, was reportedly arrested last year for "anti-Soviet agitation and propaganda" and sentenced to five years at a labor camp in the Ural Mountains. He started a hunger strike Sept. 16 to protest the confiscation of religious literature, according to Michael Rowe, a professor at Keston College, a Catholic institute near London that researches religious developments in Eastern Europe.

Mr. Rowe, quoting what he said was a reliable source in the Soviet Union, said the priest ended the hunger strike this month after being forcibly fed for several weeks.



Jeanne J. Kirkpatrick, the U.S. representative at the United Nations, was pensive during a session of the Security Council to consider punitive measures against Israel. At the right is Robert Rosenstock, a U.S. legal expert, and at the left, Charles Lichenstein, the deputy representative.

Kirkpatrick: Limiting the Damage After a Year on Job, UN Delegate Cites Problems

By Bernard D. Nossiter

UNITED NATIONS, N.Y. — After a year on the job, Jeanne J. Kirkpatrick, the U.S. delegate to the United Nations, acknowledges that she is frequently frustrated but says she has no plans to resign "for the foreseeable future."

"I am deeply bothered by the fact that it's so difficult to achieve any positive outcomes from an American point of view," she said in an interview. "We are so often involved in damage limitation," especially in the General Assembly and the Security Council, she said.

She cited her work in the council over the last two weeks, helping to thwart, at least temporarily, a Syrian resolution to punish Israel for annexing the Golan Heights.

When the resolution finally came to a vote in the Security Council on Wednesday, it was vetoed by the United States.

"I'm a problem solver," Mrs. Kirkpatrick said, and simply averting defeat for policies of the Reagan Administration was "frustrating."

Vocal About Irritations

"It matters when nations attack each other," she said. "It is harder to solve problems, seek solutions."

Mrs. Kirkpatrick is vocal about her irritations here, and this has inspired a number of reports asserting that she is about to resign.

She misses her private life, books, writing, music and her family. "I get awfully sick of the shuttle," she said. Three or more times a week, she flies between her post in New York and her home in Washington.

But she insisted: "I have no intention of resigning. I intend to stay on for the foreseeable future."

Some reports have held that Mrs. Kirkpatrick has threatened to resign because she is distressed over the lack of a stronger response to the crackdown in Poland. But she said: "I never threaten. That's not my style. When I re-

sign, I'll lay a piece of paper on the president's desk."

Despite her concern over the limitations of her post, she is convinced that "we did a useful job here last year; we've come out rather well."

As a positive achievement, she is helping raise a \$560-million emergency fund last spring for African refugees fleeing tribal, civil and national wars. The United States' share was \$285 million.

In the more familiar area of limiting political damage, Mrs. Kirkpatrick cited her work last summer in negotiating a unanimous Security Council resolution that condemned Israel for bombing an Iraqi nuclear reactor but spared Israel from sanctions.

Mrs. Kirkpatrick's latest exercise in defending administration policy involved heading off a Syrian resolution to deny Israel arms and suspend economic aid because of its annexation of the Golan Heights. Syria could count on only seven of the Security Council's 15 members and hastily put off a vote set for last Friday. Damascus was blocked because three of the council's six Third World members — Zaire, Panama and Togo — held out against mandatory sanctions.

The corridors were filled with reports that the United States had promised aid, arms or trade to restrain those three countries, but Mrs. Kirkpatrick emphatically denied the reports. (Zaire and Togo ultimately voted for the Syrian resolution; Panama abstained.)

In her talks with each of the three Third World delegates, Mrs. Kirkpatrick said, she stressed that "the adversaries of my country, and we should be clear about whom we weaken and whom we strengthen."

Aides to Mrs. Kirkpatrick said this message was reinforced by an amendment to the foreign aid bill. It calls on the president to take note of recipients who dissociate themselves from a statement that sharply criticized United States

policy around the world. This document was issued last September by nations grouped as nonaligned.

Several reports have pictured Mrs. Kirkpatrick as disturbed that the administration has failed to act firmly enough against the martial-law government in Poland. She said these reports were "mostly oversimplified" but did indicate some disquiet.

Mrs. Kirkpatrick denied accounts that she favored forcing Poland into bankruptcy by declaring that Warsaw had defaulted on its debts. But she suggested that this was a policy choice that deserved a closer look. She paraphrased an aphorism attributed to Lenin, that capitalists would sell the rope with which they would be hanged by Communists.

"We ought not to provide the East bloc with the credit to pay for the rope we sell them, or we ought to be clear about providing the rope," she said.

Killer in U.S. Faces Death

LOS ANGELES — A jury has condemned William Bonin to die in the gas chamber for the murders of 10 young men and boys in Southern California. Mr. Bonin, 35, maintained a passive expression as the sentence of death was read 10 times. He was convicted Jan. 6.

When the senators from Missouri, Thomas F. Eagleton, a Democrat, and John C. Danforth, a Republican, learned of the decision, they issued a protest, saying: "We strongly question the legality of setting up a competition among different potential suppliers, choosing a winner of the competition and then arbitrarily awarding the contract on a 'sole source' basis to a loser of the competition."

U.S. Trucks Sold to Libya in 1978 Reportedly Rebuilt to Haul Tanks

By Philip Taubman

WASHINGTON — Four years ago, the United States approved the sale to Libya of 400 heavy-duty trucks manufactured in Wisconsin. The Libyan government, which was barred from receiving military equipment made in the United States, provided written guarantees that the vehicles would be used only for agricultural purposes.

The manufacturer informed the State Department that it would be extremely difficult and expensive for Libya to modify the trucks for military use. Leading members of the Wisconsin congressional delegation, including Sen. William Proxmire, intervened at the State Department on behalf of the manufacturer.

Today, all 400 trucks have been rebuilt and are hauling Soviet-made tanks in Libya, according to the State Department and to Canadian mechanics who recently returned from servicing the vehicles.

The evolution of the truck sale and its aftermath, reconstructed from government and corporate documents and interviews with more than a dozen participants, illustrates the difficulties of enforcing government bans against the export of American technology and military equipment to unfriendly nations.

The State Department says that the truck sale was approved in good faith and that there is little the government can do about it now.

The manufacturer, the Oshkosh Truck Corp., says the sale was justified when it was carried out in 1978 and that the alterations involved fraud against the company.

Oshkosh's distributor, a Swiss company called Rioca that is run by Canadians, handled the sale and played a key role in modification of the trucks, according to the distributor's documents. The company refuses to comment on the case, Sen. Proxmire says. "We were double-crossed."

'Good-Citizen Company'

The truck sale also illustrates the conflict that can develop between foreign-policy interests, in this case an effort to prevent Libya from obtaining U.S. military equipment, and the interests of American businesses.

Robert J. Sill, the president of Oshkosh, said: "We were double-crossed, too. We were not a party to the modifications. We were trying to be a good-citizen company. I'd like to have the whole thing go away."

The sequence of events began in 1977 when the Libyan government showed an interest in purchasing large Oshkosh trucks designed for use in deserts. The model J-2770 tractors, as such trucks are known

in the trade, are capable of hauling heavy equipment, including tanks, on trailers connected to the tractor. The trucks, according to Oshkosh officials, also have other commercial uses.

The Commerce Department, which enforces export laws involving nonmilitary equipment, approved the proposed sale in February, 1978. Oshkosh and its distributor, Rioca, proceeded with plans to close the deal, involving a total sale of 400 trucks and spare parts for \$70 million, according to Oshkosh executives.

Contracts were drafted and signed, including a performance bond that obligated Oshkosh to pay 10 percent of the purchase price to the buyer if the company could not deliver the vehicles.

Potential Applications

Then, unexpectedly, the State Department refused to permit the sale on the ground that the vehicles had potential military applications. Then, as now, the United States had an embargo on the shipment of military equipment to Libya.

Oshkosh Truck, company officials said, would face severe financial problems, even possible bankruptcy, if the deal were canceled and it had to pay off the performance bond. The company has 850 employees and is the largest business in Oshkosh, which has a population of 49,000.

The company reopened negotiations with Libya, according to Oshkosh officials, and worked out a deal in a different, smaller type of truck, model J-2770 cargo carriers, which the company said did not have the capability to haul tanks.

At about the same time, Oshkosh executives appealed to Sen. Proxmire and other congressmen for help. The senator recalled that he had arranged a meeting with Secretary of State Cyrus R. Vance that was attended by company executives. Sen. Proxmire said he "did not lean on Vance" to approve the sale. He added, "I did champion Oshkosh's right to get a fair hearing at the State Department."

In September, 1978, the State Department approved the sale and said that it would review engineering drawings to ensure that the trucks complied with specifications described by Oshkosh.

In late October, Oshkosh received notification from the U.S. Embassy in Tripoli that the trucks would not be used for military purposes. The trucks were manufactured and all were shipped to Libya by April 1980, according to Oshkosh executives.

While the trucks were being built and shipped, Rioca was apparently negotiating with the Libyan military about modifying the vehicles so they could haul tanks,

according to Rioca documents made available by sources close to the company.

In a letter dated June 23, 1980, and addressed to the Technical Committee of the Libyan Armed Forces, a Rioca executive provided technical specifications for the work and equipment necessary to modify the trucks so they could carry tanks.

A person familiar with the truck modifications in Libya said the additions had been built with parts purchased in Austria.

Oshkosh officials estimated that the changes cost Libya \$15 million. They said it would have been cheaper for Libya to buy 400 tank transporters from West European manufacturers, who do not face export restrictions. Sources familiar with the modification work said it had been done at Libyan military installations by mechanics recruited in Canada.

In a telephone interview, Jackie Pass, the president of Rioca, refused to comment on the letters or the modification.

Mr. Sill, the Oshkosh president, said Thursday that his company had filed suit against Rioca in Switzerland earlier last week. "We were defrauded," he said. Mr. Sill also said that Oshkosh had played no role in the truck modification.

State Department officials said they had blocked all sales of similar equipment to Libya after learning about the modification of the Oshkosh trucks and had ordered Oshkosh not to supply spare parts in Libya.

Federal law-enforcement officials said that modification of the trucks would have violated U.S. law if the changes had been made in the United States or had involved American citizens or corporations. They said the government could do nothing when the embargo against military sales to Libya was violated by foreigners.

Fiat-Allis Prospects

SPRINGFIELD, ILL. (AP) — Fiat-Allis Construction Machinery Inc. may build \$20 million worth of heavy construction equipment for Libya, in addition to \$25 million in machinery it is now assembling for the Soviet Union.

John Panettiere, president of Fiat-Allis, was quoted Wednesday as saying prospects were "very, very favorable" for the Libyan contract.

About half the order would be assembled at the company's Springfield plant, its only U.S. production facility, he said. The rest would be completed in overseas plants.

Production on the Libyan order would begin within two months, and the estimated 225 units of heavy equipment would be ready for delivery in July or August, Mr. Panettiere said.

Pentagon Reportedly Urges Purchase of C-5s

(Continued from Page 1)

Force was already trained and equipped to fly the planes.

The Georgia delegation in Congress also got involved because about 8,500 jobs were at stake in and around Marietta, Ga., where the planes would be made. As one member of the delegation said: "It didn't hurt to have Sen. Mack Marquette on the Appropriations Committee or Sen. Sam Nunn on the Armed Services Committee. It didn't hurt to have Rep. Bo Ginn on the Appropriations Subcommittee on Defense or Rep. Jack Brinkley on Armed Services."

Rep. Lawrence P. McDonald, Democrat of Georgia, in whose district Marietta is situated, wrote and talked to Deputy Secretary of Defense Frank C. Carlucci, who is the key figure in all procurement decisions.

In December, Richard D. De-

lauer, the undersecretary of defense for research and engineering, told reporters that he had asked the Air Force to re-evaluate the three candidates. He said that the Lockheed C-5 would cost less to acquire but would cost more in the long run to operate. The McDonnell Douglas C-17, which the Air Force, Army and Marine Corps favored, would cost more to acquire but less than the C-5 to operate and had some military advantages over the C-5, he said. The Boeing 747 would cost the least but had serious shortcomings in handling military cargo, Mr. Delauer said.

During that same month, Rep. Ginn played a critical card. In the conference with the Senate to reconcile differences over the 1982 military appropriations bill, he persuaded Congress to knock out all research and development funds for the McDonnell Douglas C-17 or any other C-X.

Confronted with that, the Defense Department would either have to select one of the other candidates; try to get a supplementary appropriation, which was not likely to be approved; or wait for the 1983 fiscal year.

Nevertheless, the Air Force presented its new evaluation in Mr. Carlucci, Mr. Delauer and other senior officials about two weeks ago. At that time the Air Force came out strongly for the McDonnell Douglas C-17 and was again backed by the Army and the Marine Corps.

Mr. Carlucci, however, was evidently eager to avoid starting a new weapons program when the military budget was already re-

stricted and when Congress was expected to try to cut the military budget during the coming year. Thus, according to congressional officials, he decided on the Lockheed C-5 a few days ago and sent the decision to Mr. Weinberger to recommend to the president.

When the senators from Missouri, Thomas F. Eagleton, a Democrat, and John C. Danforth, a Republican, learned of the decision, they issued a protest, saying: "We strongly question the legality of setting up a competition among different potential suppliers, choosing a winner of the competition and then arbitrarily awarding the contract on a 'sole source' basis to a loser of the competition."

Unesco Delegates Endorse Pan-African News Agency

ACAPULCO, Mexico — A Unesco conference has given tentative approval to the establishment of a Pan-African news agency that would link 50 nations.

The vote Wednesday by Unesco's International Program for the Development of Communications was the first major step taken at an eight-day conference on ways to improve the flow of information among the developing countries.

A \$15-million grant for the agency must be endorsed unanimously by the 35-nation conference before it ends Monday. Plans called for the news agency's headquarters to be in Senegal with regional centers in Nigeria, Zaire, Tunisia, Sudan and Zambia.

Supporters of the project said the news agency would "correct the distorted portrayal" of Africa by Western news agencies, but they insisted that it would not replace or interfere with the agencies.

However, representatives of the World Press Freedom Committee

and Inter-American Press Association denounced the proposal as a possible basis for governments to seize newspapers.

Western publishers and government officials have often argued that some of the projects being sponsored by Unesco — the United Nations Educational, Scientific and Cultural Organization — could be used to control the free flow of information around the world.

The proposal for the African press agency was scheduled to be discussed later in the week by a subcommittee on financing the project. It had been hoped that \$87 million could be raised to finance 54 communications projects, but only \$6 million has been promised.

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Language Controversy Resurfaces in Malaysia

By Kenneth L. Whiting

KUALA LUMPUR — A return to the basics of reading, writing and arithmetic in Malaysian primary schools has revived a language debate here.

Some spokesmen for Malaysia's minority Chinese and Indian communities say the educational changes that took effect here this month could undermine use of the Chinese and Tamil languages. Tamil is spoken in southern India and northern Sri Lanka.

The critics view the stress on the three R's — reading, writing and arithmetic — as a scheme eventually to convert Chinese and Tamil primary schools into Malay-language institutions.

The Malaysian constitution says Bahasa Malaysia, the mother tongue of about half the population of 14 million, is the national language to be used for "all official purposes." ("Bahasa" is the Malay word for language.)

A Touchy Regional Issue

The new three-R system, in which all teaching materials are written in Bahasa and restrictions placed on music education, will eventually lead to a change in the character of Chinese schools, said a joint statement issued Jan. 10 by 54 Chinese associations. Lim Fon Seng, chairman of the United Chinese School Committees Association, said the plan will force the Chinese to give up their mother tongue, education and culture.

Few issues are as politically touchy in Malaysia and elsewhere in Southeast Asia as language. Singapore has four official languages: English, Mandarin, Tamil and Malay. Malay is designated the national language and English the language of administration.

Despite years of government campaigns, many people in Singapore continue to speak in languages other than the approved four.

In the early years, the emphasis was largely on English, but that battle has been substantially won. Of Singapore's 2.4 million people,

76 percent are ethnic Chinese, but in recent years only about 10 percent of children entering school have chosen to be educated primarily in Mandarin, the official dialect of China.

In 1979, Prime Minister Lee Kuan Yew of Singapore started a long-term program to eliminate such regional Chinese dialects as Hokkien and Cantonese. Every October is Speak-Mandarin-Nor-Dialects Month in Singapore.

Indonesia had no post-independence struggle to establish Bahasa Indonesia as the chief tongue. That Malay-linked language was widely used for decades, and Japan's World War II occupation forces helped by abolishing the Dutch colonial tongue.

However, some educators complained recently that too much English is creeping into everyday use, and that regional dialects flourish to the detriment of Bahasa.

Indonesia and Malaysia agreed to adopt common spellings 10 years ago. A joint language board hopes to have standardized more than 850,000 Bahasa terms by next year, according to a spokesman for the Language and Literature Institute in Kuala Lumpur.

British colonizers brought English to the Malay Peninsula in the 18th century. Because the peninsula was essentially rural and technologically backward, Malay seemed to have a dim future when the federation of Malaysia was formed upon independence from Britain in 1963.

Thousands of terms had to be coined to bring the language into the 20th century. Many are only slight variations on English, such as "elektron" for electron.

Diplomats say the turning point came in May, 1969, when post-election riots between the politically dominant Malays and the economically powerful Chinese left hundreds dead in the streets of Kuala Lumpur. It was then decided to reduce the importance of English and replace it with Bahasa by 1982 in the interest of national unity.



BANZAI CHEER — Premier Zenko Suzuki of Japan, center, led the traditional banzai cheer Thursday at the end of a Tokyo convention of the Liberal Democratic Party. With Mr. Suzuki were former Premier Nobusuke Kishi, right, and Tatsuo Tanaka, a party official.

New Immigration Quota in U.S. Expected to Reunite Chinese Kin

By Michael Parks

PEKING — New U.S. immigration regulations will nearly double the number of Chinese able to join relatives in the United States, U.S. Embassy officials say.

Waiting periods that now stretch five and six years for Chinese wanting to join their brothers or sisters in the United States will probably be cut in half under the regulations, officials said, and there will be almost no delay for those joining their children or parents, often ending separations that have lasted more than three decades.

Arturo Macias, the consul at the embassy, said Wednesday that legislation enacted late last year by Congress would double the number of Chinese admitted to the United States as immigrants each year to 40,000, a higher quota than that for any other country.

Congress established two quotas, 20,000 each, for those born on the Chinese mainland and those

born on Taiwan. Previously, immigrants from both had come under the same quota, and the lengthy list of applicants from Taiwan meant low immigration from the mainland.

Quotas Doubled

Starting in February, several hundred more immigrants will be admitted from mainland China each month, Mr. Macias said. Peiking's quota will nearly double from an average of 75 to 145, and the U.S. Consulate in Canton will process 60 percent more than its past average of about 500 a month, Mr. Macias said.

There is a backlog of about 80,000 applications — some involving several persons in a family — that had been slowly building up before the normalization of relations between the United States and China in 1978 and then began to grow 10 times faster than it could be handled.

"We have case after case of brothers who have not seen each

other for 30 or 40 years and who lost touch for much of that time due to the lack of relations between the U.S. and China," an embassy official said. "In many respects, this is family reunification work and the most human part of the normalization of relations between the two countries."

Some mainland-born Chinese now in Hong Kong and on Taiwan will continue to come under the mainland quota, but within two years or so most of the additional 20,000 slots will go to immigrants from the mainland, embassy officials said.

Unexpected Action

The congressional action, which embassy officials said had not been anticipated and was enacted as a rider on the foreign aid bill with little discussion, relieved the Reagan administration of the decision of setting priorities through other legislation for would-be immigrants from Taiwan as opposed to those from the mainland.

Chun Urges Vigilance on North Korea

Seoul Leader Warns Of New Provocations

The Associated Press

SEOUL — President Chun Doo Hwan said Thursday he is concerned about possible provocations by North Korea because of what he called the North's economic failure last year.

He claimed the North is "checking and complementing" its war capabilities for the occasion of the 70th birthday of its president, Kim Il Sung, on April 16.

Some South Korean leaders have expressed apprehension that the North may use Mr. Kim's birthday as an excuse to drive its people toward preparing war against the South to unify the divided land.

Addressing a meeting of top military and civilian officials in charge of counterinfiltration operations, the president said he understood North Korea's economy "has reached its limits" and verges on collapse.

System Criticized

He said this is largely because of the "inefficiency, inflexibility and low productivity" incidental to the Communist economic system, which he said has also characterized the upheaval in Poland.

The gap in national strength between North and South Korea is being expanded, he continued, adding he is worried that the North may try to intensify unrest on the Korean peninsula to "disrupt our economic advances."

U.S. Flight Reported

TOKYO (AP) — A U.S. SR-71 reconnaissance plane flew over North Korea twice Wednesday, Pyongyang's Korean Central News Agency said Thursday.

There were 14 other alleged infiltrations of North Korean airspace by SR-71s this month, it said, adding that U.S. maneuvers "unless a new war in Korea have reached a very dangerous stage."

Gen. Semyon Tsvigun, 64, Deputy Head of KGB, Dies

New York Times Service

MOSCOW — Gen. Semyon Tsvigun, 64, deputy head of the KGB, the Soviet secret police, has died, Soviet television announced.

"His shining memory will always remain in the hearts of the members of the intelligence service and all Soviet people," it said in a eulogy Wednesday.

Gen. Tsvigun, who died Tuesday, was believed to be a brother-in-law of President Leonid I. Brezhnev, but rumors that he was married to a sister of Mr. Brezhnev's wife, Victoria, were never officially confirmed.

In contrast to the secrecy usually surrounding KGB officers, articles attributed to Gen. Tsvigun appeared from time to time in ideological publications, most recently in the September issue of *Kommunist*, in which he claimed that the dissident movement had been routed in the Soviet Union.

In 1977, Gen. Tsvigun was decorated as a Hero of Socialist Labor and last year he was enrolled in the Central Committee of the Communist Party.

World War II Record

The television obituary described him as an army general who fought on several fronts in World War II and subsequently rose through the KGB ranks in the republics of Moldavia, Tadzhikistan and Azerbaijan.

In 1967, he was named deputy chairman and then first deputy chairman of the KGB, ranking second to Yuri A. Andropov, the Politburo member who heads the organization.

Gen. Tsvigun's article in *Kommunist* said that the dissident movement, which he described as an attempt by the West to subvert the Communist system, had been crushed, but he warned that new forms of subversion were taking its place.

Among new "ideological diversions," Gen. Tsvigun listed Western reports on Soviet consumer shortages, food and alcohol

Moslems and the attraction of Soviet youth to Western music and lifestyles.

Marya Zaturenska

BOSTON (NYT) — Marya Zaturenska, 80, a Ukrainian-born American lyric poet who received the Pulitzer Prize in 1938, died of heart failure Tuesday.

Miss Zaturenska, who was married to Horace Gregory, also a noted poet, wrote eight volumes of poetry and edited six anthologies. Her many awards included the Shelley and John Reed Prizes given by Poetry Magazine.

Among her books were "Threshold and Heart," "Cold Morning Sky" — for which she received the Pulitzer Prize — "Collected Poems" and her final volume, published in 1974, "The Hidden Waterfall."

Frank Baxter

LOS ANGELES (LAT) — Frank Baxter, 66, the University of Southern California English professor who taught Shakespeare, science and art to millions on television, and won seven Emmys and a Peabody Award, died Monday of heart failure.

Charles P. Plumb

FORT MYERS, Fla. (AP) — Charles P. Plumb, 82, creator of the comic strip "Ella Cinders," died Tuesday. The strip ran for 27 years, ending in 1951.

George Stoddard Eccles

SALT LAKE CITY (UPI) — George Stoddard Eccles, 81, a banker, financier and civic leader, died Wednesday. He was an economic and financial consultant for the Marshall Plan in Europe after World War II.

Blast Kills 7 U.S. Miners

GREITHEL, Ky. — Seven miners were killed Wednesday by an explosion in a small coal mine. The dead included three brothers and one of their nephews, members of the family that own the RFH Coal Co. mine.

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11-11

Steel Suits in U.S. Name Japanese

From Agency Dispatches
WASHINGTON — Babcock & Wilcox, U.S. Steel Corp. and three other makers of specialty steel filed anti-dumping complaints Wednesday against three Japanese steel firms.

The U.S. steelmakers claimed in petitions filed with the Commerce Department and the U.S. International Trade Commission that the

Japanese firms sold steel in the United States at prices as much as 63.1 percent lower than the prices at which they sold it in Japan, in violation of the Trade Agreements Act of 1979.

Thomas Krebs, senior vice president of the Babcock & Wilcox tubular products division, said the petitions were not related to the more than 100 complaints against

foreign steelmakers filed last week by U.S. carbon steel producers. Japan supplied about 30 percent of the tube-steel products used in the United States in the first nine months of last year, according to the B&W petition.

The U.S. steel companies contend that the Japanese are taking market share from U.S. firms in seamless alloy pressure pipe and tubes, used by the utility boiler industry, and in seamless heat-resistant pipes and tubes used in the petrochemical, chemical and refining industries.

Babcock & Wilcox has no plans to file complaints against any European firms, Mr. Krebs said.

Not all product areas are losing money as a result of Japanese imports, but seamless alloy pressure products lost market share last year, and profits dropped for the seamless heat-resistant and seamless stainless goods, Mr. Krebs said. He would not elaborate.

A few employees have been laid off as a result, he said.

Joining in the complaint were Al Tech Specialty Steel of Dunkirk, N.Y.; ITT Harper of Morton Grove, Ill., a subsidiary of International Telephone and Telegraph; and Quaker Corp. of Houston.

The specialty steel industry is a \$215-million business in the United States.

The targets of the complaints — Sumitomo Metal Industries, Nippon Kokan and Sanyo Specialty Steel — constitute the bulk of the Japanese specialty steel business.

A Sumitomo spokesman in Tokyo said there was no way the company could market its products 63.1 percent below the domestic prices.

And a spokesman for Nippon Kokan said, "Each time we export to the United States we carefully study prices and other matters. We aren't aware of any problem."

Babcock & Wilcox filed dumping charges about two years ago, but the ITC ruled against them. The U.S. International Trade Commission in New York later ordered the ITC on appeal to reconsider the case, however, and advised Babcock & Wilcox to file a new complaint.

In a related matter, the International Iron and Steel Institute reported Thursday that crude steel production dropped in the Common Market and Japan last year, but rose by 7.3 percent in the United States. Preliminary estimates put world crude steel production at 710.3 million tons against 717.5 million in 1980.

After much-improved second and third quarters, U.S. output ended the year at 108.2 million metric tons, 7.4 million tons up on the 1980 figure, the institute said. Japan's production was off by 8.7 percent, dropping by 10.3 million tons to 101.7 million, and the EEC registered a 2.2-percent decrease, falling 2.8 million tons to 125 million.

SEC Probes Dean Witter Trading

By Jeff Gerth
New York Times Service

WASHINGTON — The Securities and Exchange Commission is investigating possible insider trading in the stock of Dean Witter Reynolds before its takeover last October by Sears, Roebuck & Co., according to sources familiar with the investigation.

It could not be learned who the targets of the investigation are. Public records show heavy trading in Dean Witter options and stock in the days before the \$607 million acquisition.

On Oct. 8, Sears agreed to acquire Dean Witter by paying \$50 a share in a cash and stock transaction. On Oct. 7, Dean Witter had called for a halt in trading of its stock and options, but not before a two-day buying spree had sent the stock from less than \$26 a share to more than \$35 a share. In addition, options in Dean Witter stock were traded heavily the week before the acquisition.

Some SEC officials involved in the investigation have complained privately that Sears executives were being afforded unusually lenient treatment, according to former commission officials familiar with the complaints.

Conflicting Reports

Ernest L. Arns, Sears news director, said the retailer was cooperating with SEC officials who were gathering information at Sears' Chicago headquarters. But, he added, "We have no reason to believe that the company or any employee is a target of the investigation." SEC officials declined to comment.

Robert Slovall, a spokesman for Dean Witter, said he knew nothing about the investigation and

referred questions to other Dean Witter officials, who declined to return phone calls.

Dean Witter officials told reporters after the takeover that negotiations had begun in Chicago Oct. 6, although a newspaper column quoted the securities firm as saying that same day that it was not engaged in "any merger discussions."

Roderick M. Hills, a Washington lawyer, handled the takeover negotiations on behalf of Sears. Mr. Hills, who was chairman of the SEC under former President Gerald R. Ford and advised President Reagan on the selection of a new chairman, also represents Sears in the current inquiry.

Mr. Hills said that he had "volunteered a written sequence of events" about the takeover "some time ago" to John M. Fedders, the head of enforcement for the SEC but that the commission had not begun asking Sears for information "until this week."

Mr. Hills said Sears officials had been interviewed in Chicago by commission officials. The SEC aides who have complained that Mr. Fedders appeared to be treating Sears leniently have cited, as an example, the taking of investigative testimony in Sears' offices rather than in SEC offices, according to former commission officials.

Charles Larson, a spokesman for the commission, said investigative testimony normally was taken in public buildings such as SEC offices. Mr. Fedders, who replaced Stanley Sporkin as enforcement director last May, has emphasized insider trading cases. The proliferation of takeovers and mergers, in which companies frequently pay large and lucrative premiums to acquire the stock of others, exacerbates the insider trading problem.

W. Germans, Dutch Cut Key Interest Rates

From Agency Dispatches

FRANKFURT — The West German and Dutch central banks announced Thursday that they would cut their key lending rates by half a percentage point on Friday.

Bundesbank said it would cut its special Lombard rate to 10 percent from 10 1/2 percent in a move intended to stimulate the country's flagging economy.

The Dutch central bank later said its bank rate will be lowered to 8.5 percent from 9 percent Friday because of the positive effects on the guilders of developments in the Dutch current account. The Dutch and West German economies are closely aligned.

And the Bank of England cut its interest rate for buying short-term bills by 1/4 percentage point to 14 percent Thursday, the fourth cut in short-term rates in as many days.

Some analysts said the British cuts may reflect the government's desire to get interest rates down to improve business prospects, but others said the fall in interest rates is largely the result of technical factors. They said there is a temporary shortage of money on the money markets and the Bank of

England has acted to ease the pressure on rates.

The Bundesbank made no statement anticipating that other Western nations' central banks would follow its lead and make similar interest-rate cuts, as it did when announcing two previous Lombard rate reductions.

Cuts Follow Meeting

Joint action had been rumored because finance ministers and central bank officials of major Western countries met last weekend in Paris.

When the Bundesbank last lowered the Lombard rate, in December, the move coincided with cuts in key lending rates by the U.S. Federal Reserve, as well as the Dutch and Swiss central banks.

The Bundesbank's Thursday action had been foreseen by some, but foreign exchange dealers here were surprised that the bank went ahead with the cut in light of an upswing in U.S. interest rates and a strengthening dollar.

Despite the cut, the U.S. dollar fell Thursday afternoon in Frankfurt and closed at 2.2965 Deutsche marks, near the day's lows and below Wednesday's 2.3025 finish.

The Lombard rate stands 2 percentage points below the peak it held during most of last year when the Bundesbank was trying to defend the Deutsche mark against the rising dollar, itself buoyed by high U.S. interest rates.

The Bundesbank's decision suggests the central bank sees concern about the domestic economy outweighing currency and balance of payments considerations, bankers said.

Thursday morning, before the announcement, Deutsche mark domestic call money rates stood at around 9 1/2 percent, down from 10 1/4 percent last Friday, market sources said.

Aiding Economy

But bankers pointed out that the Bundesbank in large measure created the relaxed money market conditions, and they see worry about the strong dollar overridden by the need to help the economy.

Finance Minister Hans Matthöfer welcomed the cut, saying the right conclusions have been drawn from the clear and lasting improvement in West Germany's external economic position.

The reaction from West German industry and banking associations generally was positive, although they said that moderate wage settlements are needed if the economy is to benefit from the cut.

BUSINESS NEWS BRIEFS

UTC Says \$1-Billion Volume With AEG Possible

MUNICH — United Technologies of Hartford, Conn., sees a possible joint venture with AEG-Telefunken reaching an annual turnover of \$1 billion within four years, it said Thursday.

UTC said Mosiek Corp., its Dallas-based subsidiary, is negotiating with AEG to form a joint subsidiary in the field of customer-designed microelectronics.

Esso Canada Awards Bids for 6 Artificial Islands

BOISE, Idaho — Northern Construction, a subsidiary of Morrison-Knudsen, and Loram Construction of Calgary have received a contract worth 107 million Canadian dollars (\$89.5 million) from Esso Resources Canada to build six artificial oil drilling islands, Morrison-Knudsen said Thursday.

The islands will be built in the Mackenzie River at Norman Wells in the Northwest Territories, the company said. Esso Canada will drill as many as 17 wells from each of the islands.

DeLorean Cuts Output, Presses Luxury Car Plans

LONDON — DeLorean Motor has substantially cut sports car production from last October's peak of 80 units a day but is pressing ahead with plans for a luxury car, a company spokesman said from Belfast.

Official sources put current production at around 40 cars a day. The spokesman declined comment on a government decision to extend two loan guarantees to DeLorean.

Nippon Electric Plans 2,000 Robots a Year by '85

TOKYO — Nippon Electric Co. plans to increase sales of industrial robots to about 2,000 units a year by 1985 — 10 times current annual sales — the company said Thursday.

A spokesman said the company hopes to start exporting next year, but is cautious in view of high unemployment in many countries. It hopes to sell about 200 industrial robots in Japan in the year starting in April, compared with about 50 in the current fiscal year.

Earlier this week NEC unveiled a new robot, the 3.8-million-yen (\$16,800) Model-C, capable of assembling, processing, inspecting and handling small parts.

American Airlines in Black Despite Bad Quarter

DALLAS — American Airlines posted a profit in fiscal 1981, although it lost \$34.8 million in the fourth quarter.

American said Wednesday that it had unaudited net earnings of \$47.4 million last year, or \$1.21 per share, compared to 1980 losses of \$75.8 million or \$3.06 per share.

But Chairman Albert V. Casey said the outlook was "far from encouraging" and projected heavy losses in early 1982. Operating earnings for the current fiscal year were \$72.2 million, following 1980 operating losses of \$86.3 million.

Canon, Fuji Photo Join Video Format Talks

TOKYO — Spokesmen for Canon and Fuji Photo Film, two of the leading Japanese camera manufacturers, said Thursday they would take part in talks to produce a uniform range of video systems that would combine a camera and video tape recorder.

Matsumita, Sony, Hitachi, Victor of Japan and Philips of the Netherlands said Wednesday they would attempt to set uniform standards for the new unit.

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

Canada			
Alcan Aluminum			
4th Quor.	1981	1980	
Revenue	1,170	1,220	
Profits	250	250	
Per Share	0.32	1.54	
Year	1981	1980	
Revenue	5,620	5,200	
Profits	264	52	
Per Share	3.24	0.62	
Results in U.S. dollars			
Japan			
Dai Nippon Printing			
1st Half	1981	1980	
Revenue	228,280	240,340	
Profits	10,560	10,650	
United States			
Abbott Laboratories			
4th Quor.	1981	1980	
Revenue	680.7	560.2	
Profits	74.20	64.22	
Per Share	0.61	0.52	
Year	1981	1980	
Revenue	2,340	2,040	
Profits	247.20	214.01	
Per Share	2.01	1.73	
* Per share results restated for a 2-for-1 split in May, 1981.			
Air Products & Chemicals			
1st Half	1981	1980	
Revenue	373.6	366.4	
Profits	34.50	32.26	
Per Share	1.21	1.13	
Aluminum Co. of America			
4th Quor.	1981	1980	
Revenue	1,100	1,200	
Profits	22.30	102.88	
Per Share	0.42	1.90	
Year	1981	1980	
Revenue	5,200	5,100	
Profits	296.19	489.95	
Per Share	3.97	6.54	
American Electric Power			
4th Quor.	1981	1980	
Revenue	1,020	940	
Profits	107.8	74.5	
Per Share	0.68	0.52	
Year	1981	1980	
Revenue	4,170	3,750	
Profits	348.2	244.8	
Per Share	2.37	N.A.	
* Year ago restated.			

CURRENCY RATES

Interbank exchange rates for Jan. 21, 1982, excluding bank service charges.

	\$	£	D.M.	F.F.	Y.	Sw.	N.P.	S.F.	D.C.
American	2.57	4.76	19.55	43.05	23.45	6.44	13.19	33.47	
Canada	26.12	7.50	17.05	6.89	3.17	15.55	21.92	52.78	
France	6.55	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Germany	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Italy	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Japan	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Netherlands	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Sweden	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Switzerland	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
U.K.	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
U.S.	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	

Dollar Values

	\$	£	D.M.	F.F.	Y.	Sw.	N.P.	S.F.	D.C.
1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124
1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124
1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124
1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124
1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124
1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124
1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124
1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124
1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124	1.124

1.124 = 1.124 U.S. \$

1.124 = 1.124 U.S. \$

1.124 = 1.124 U.S. \$

1.124 = 1.124 U.S. \$

Silver Crash: \$194-Million Suit Is Filed

By Jerry Knight
Washington Post Service

WASHINGTON — A group of silver investors have filed a \$194 million lawsuit accusing the two big silver markets and major silver dealers of fraud, conspiracy, violating antitrust laws and manipulating the price of the metal when silver prices collapsed two years ago.

The lawsuit was filed Wednesday in U.S. District Court in New York by 184 members of Free Market Compensation, a Boston-based organization that contends silver market insiders conspired to drive down silver prices in the spring of 1980.

Defendants in the case are the Commodity Exchange of New York and the Comex Clearing Association, the Chicago Board of Trade and its clearing association and five silver dealers — Englehardt Minerals and Chemicals, Moccata Metals, Ametco, Sharps-Friley and J. Aron & Co. and one of its affiliates.

The lawsuit is the third legal action filed in a week charging that federal laws were violated during the dramatic rise and fall of silver prices in 1979 and 1980. A Minnesota investor, David Bishop, sued Comex earlier this week.

Last Friday, a Lichtenstein corporation, Wall Street Establishment, filed an \$8 million lawsuit accusing Texas billionaires Nelson B. Hunt and W. Herbert Hunt, the Comex and the Chicago Board of Trade of rigging silver prices.

Time Limit Expires

The lawsuits are being filed at this time to meet a two-year statute of limitations. It was two years ago Thursday that Comex ordered a change in its rules that prohibited new buyers from coming into the silver futures market and forced those already in to sell some holdings.

The price of silver hit a record \$50 an ounce on Jan. 21, 1980, then plunged steadily until it bottomed out at \$10.83 on March 28, wiping out billions of dollars of paper profits for silver speculators, including the Hunts.

The Comex claimed the change in rules was necessary because the Hunts and a few other speculators had acquired vast numbers of silver futures contracts and were artificially inflating the price.

The Hunts, on the other hand, repeatedly have accused silver market insiders of changing the rules of the game and forcing prices down to further their own interests.

Improvement Is Seen In Yugoslavia's Deficit

Reuter

BELGRADE — Yugoslavia's 1981 current-account deficit is likely to be significantly less than the planned \$1.8 billion, Deputy Premier Zvezdan Djindjic said Thursday.

He said fourth-quarter exports were 30 percent higher than a year earlier. Foreign borrowing has reached its peak, and debt will be decreased gradually this year, he said.

NYSE Prices in Small Gain as Rally Fades

From Agency Dispatches

NEW YORK — Concern that the Federal Reserve is tightening credit inhibited a rally attempt Thursday as prices on the New York Stock Exchange closed only narrowly higher.

The Dow Jones industrial average rose by 7.71 points at midday but pulled back in the afternoon and closed up only 2.35 at 848.27. Advances led declines by a 7-to-5 margin, and volume fell to 48.61 million shares from the 48.86 million traded Wednesday.

Analysts attributed the afternoon downturn to an unexpected move by the Fed to drain reserves from the banking system, which was read as further evidence that monetary policy is being tightened.

"It appears the Fed is becoming more aggressive in limiting bank reserves in an effort to curtail the recent spurt in money growth," David M. Jones, economist for Aubrey G. Lantson & Co., said. "This pressure will show up in upward pressure on money markets, including the prime rate, which is likely to move up to 16 1/2 percent in the immediate future."

Larry Wachtel of the Bache Group said the NYSE rally was

not that deep before the Fed action. Strength centered primarily in the blue chip issues, which resulted in the Dow average — a measure of those stocks — oversteering the rest of the market for most of the day.

But Mr. Wachtel said the market has reached an oversold condition and should receive some support Friday from the release of the consumer price index, which is expected to show only a slight gain.

Analysts said some of the buying represented short covering, the replacing of borrowed shares sold earlier in hopes the market would go down.

Prices also were helped part of the day by bargain hunters, who found many stocks attractive following the market's prolonged slide since mid-December.

U.S. Trust Thursday lowered its broker loan rate to 14 percent from 14 1/2 percent. The move brings the bank's rate into line with those of other banks. Marine Midland Bank, however, is quoting a 13 1/2 percent rate.

The market still was restrained

PLAYMATES FOR THE PASHA

Princes, are as numerous, in today's market, as a Pasha's female Playmates; but infinitely less appealing. They continue to spew out tales of woe, in the same manner they expounded upon their fears in the mid-summer of 1981, predicting a total collapse. At that time, our editors defied Apocalyptic charts, projecting an upswing in the Averages. And now?

Quo Vadis?

Many stock market legends incubate during comatose markets; and in our current lull, we recommend issues that appear elevated (sic) around \$2.25 - that could emerge as another NATOMAS or PETRO-Lewis. In addition, we review a mining stock that is delineating a major graphite deposit in North America. Trading over-the-counter in Toronto, at \$5.25, and soon to be listed on an Exchange; the shares may spark a mining boom reminiscent of the Blind River uranium era, when an unknown equity called CONSOLIDATED DENISON, catapulted from pennies to a high of \$105, ultimately becoming listed, changing its name to DENISON MINES. We believe in apple pie, entrepreneurial virtues and underdoghood; factors that have made North America the hope, mentor, prospector and example to all men. The incursions of self-serving purveyors of doom will not abort the dynamics of a free, creative economy. In every report, we stress the adage that one must "buy into weakness" and "sell into strength." For guidance as to "what" to buy, and "when," please write for your complimentary copy of this report.



CAPITAL GAINS RESEARCH

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NAME _____				
ADDRESS _____				
PHONE _____				

PORTNAX DEVELOPMENT LIMITED
 Bid: U.S. \$2.00. Asked: U.S. \$2.25.
 As of date: January 20, 1982.
J. STROUVE & CO. (Est. 1818)
 Members Amsterdam Stock Exchange
 Keizersdijk 263 - 1017 HW Amsterdam - The Netherlands
 Tel.: 243075 - Telex: 16396

WEATHER

	HIGH		LOW			HIGH		LOW	
	C	F	C	F		C	F	C	F
ALGABRE	14	61	12	54	Cloudy	10	39	3	Fog
ALLEGHS	18	55	10	39	Shrny	17	48	14	Fog
AMSTERDAM	14	57	10	37	Fog	14	50	7	Fog
ANKARA	3	41	-9	16	Foggy	19	21	14	Fog
ANTHES	13	55	7	45	Fog	11	23	11	Fog
ARCKON	12	55	7	45	Fog	11	23	11	Fog
BANGKOK	18	61	20	68	Foggy	10	39	18	Foggy
BERGUT	17	63	7	45	Fog	10	39	14	Fog
BERGARD	15	55	7	45	Fog	10	39	14	Fog
BERLIN	-5	-23	-9	16	Foggy	19	21	14	Fog
BOSTON	26	79	11	53	Fog	10	39	7	Fog
BREUSOLS	15	55	7	45	Fog	10	39	14	Fog
BUCHAREST	-2	-28	-4	25	Snow	15	59	6	Cloudy
BUDAPEST	-3	-23	-9	16	Foggy	19	21	14	Fog
BURENBERG	15	55	7	45	Fog	10	39	14	Fog
CAIRO	20	68	10	50	Cloudy	10	39	14	Fog
CAPE TOWN	25	77	13	43	Showers	10	39	14	Fog
CASABLANCA	14	57	10	37	Fog	14	50	7	Fog
CHICAGO	1	34	-3	30	Cloudy	10	39	14	Fog
COPENHAGEN	-2	-28	-4	23	Foggy	19	21	14	Fog
COSTA DEL SOL	17	63	13	54	Fog	10	39	14	Fog
DANABURG	13	55	7	45	Fog	10	39	14	Fog
DUBLIN	9	48	7	45	Overcast	10	39	14	Fog
EDINBURGH	9	48	7	45	Fog	10	39	14	Fog
FLORENCE	10	50	7	45	Fog	10	39	14	Fog
FRANKFURT	-4	-25	-9	23	Rain	10	39	14	Fog
GENEVA	3	37	-1	30	Foggy	19	21	14	Fog
NELSON	1	34	-3	23	Fog	10	39	14	Fog
HONG KONG	15	64	13	55	Rain	10	39	14	Fog
HOUSTON	25	77	20	68	Cloudy	10	39	14	Fog
ISTANBUL	3	37	-1	30	Foggy	19	21	14	Fog
JERUSALEM	16	57	10	37	Cloudy	10	39	14	Fog
LAS PALMAS	21	70	17	63	Cloudy	10	39	14	Fog
LIMA	22	76	16	61	Cloudy	10	39	14	Fog
LISBON	12	54	10	50	Foggy	10	39	14	Fog
LONDON	9	48	2	36	Fog	10	39	14	Fog
LOS ANGELES	15	59	10	37	Rain	10	39	14	Fog
MADRID	14	57	10	37	Fog	14	50	7	Fog
MANKILA	10	39	7	45	Fog	10	39	14	Fog
MEXICO CITY	17	63	13	54	Fog	10	39	14	Fog
MILAM	8	23	-2	11	Fog	10	39	14	Fog
MONTREAL	10	39	7	45	Fog	10	39	14	Fog
MOSCOW	-7	-21	-9	16	Foggy	19	21	14	Fog
MURMICH	-10	-18	-14	8	Cloudy	10	39	14	Fog
NAGASAKI	11	23	7	45	Fog	10	39	14	Fog
NASSAU	26	79	11	53	Fog	10	39	14	Fog
NEW DELHI	32	72	7	45	Fog	10	39	14	Fog
NEW YORK	15	59	10	37	Fog	14	50	7	Fog
NICE	15	59	6	43	Cloudy	10	39	14	Fog
OSLO	-8	-18	-12	18	Foggy	19	21	14	Fog
PARIS	8	46	4	40	Overcast	10	39	14	Fog
PERING	11	23	7	45	Fog	10	39	14	Fog
PRAGUE	-8	-18	-12	18	Foggy	19	21	14	Fog
REYKJAVIK	10	39	7	45	Fog	10	39	14	Fog
RIO DE JANEIRO	17	63	13	54	Fog	10	39	14	Fog
BOMBAY	13	55	3	30	Cloudy	10	39	14	Fog
SALISBURY	26	79	18	64	Cloudy	10	39	14	Fog
SAN PAULO	24	75	15	59	Cloudy	10	39	14	Fog
SEBASTIA	10	39	7	45	Fog	10	39	14	Fog
SHANGHAI	5	44	-1	30	Foggy	19	21	14	Fog
SINGAPORE	10	39	7	45	Fog	10	39	14	Fog
STOCKHOLM	-8	-18	-12	18	Foggy	19	21	14	Fog
SYDNEY	26	79	18	64	Cloudy	10	39	14	Fog
TAIPEI	17	63	13	54	Fog	10	39	14	Fog
TOKYO	16	59	11	50	Fog	10	39	14	Fog
TUNIS	10	39	7	45	Fog	10	39	14	Fog
VENICE	22	72	17	63	Cloudy	10	39	14	Fog
VIENNA	-9	-23	-18	7	Foggy	19	21	14	Fog
WARSAW	-3	-27	-9	23	Snow	15	59	6	Cloudy
WASHINGTON	10	39	7	45	Fog	10	39	14	Fog
ZURICH	-3	-23	-9	16	Foggy	19	21	14	Fog

Source: News from the newcast 36 hours.

January 21, 1982

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose quotes are based on issue prices. The following marginal symbols indicate frequency of quotations supplied for the IHT:(d)—daily; (w)—weekly; (m)—monthly; (q)—quarterly; (y)—yearly.

[illegible]

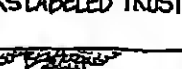
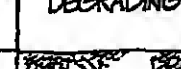
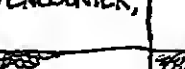
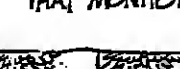
I'M BRINGING IN A GUILTY KID, MA'AM... HE DIDN'T CROSS THE STREET PROPERLY!

I READ HIM HIS RIGHTS SO HE KNOWS WHERE HE STANDS

THESE KINDERGARTEN TYPES HAVE TO BE PUT IN THEIR PLACE EARLY...

THROW THE BOOK AT HIM, MA'AM!

© 1994 by Dave Coverly
A MURPHY BROWN COMIC

<p>IT SEEMS THAT WE MUST GO TO BANKS LABELED "TRUST"</p>	<p>YET IT'S SUCH A DEGRADING ENCOUNTER,</p>	<p>TO FIND THEY HAVE CAMERAS THAT MONITOR US,</p>	<p>USING PENS THAT ARE CHAINED TO THE COUNTER</p>
			

BYE, SWEET-HEART

BYE, HONEY

CRASH

SMACK

THAT CERTAINLY WASN'T A VERY POLITE WAY TO ASK FOR A KISS

Young & George

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1-22

THIS IS SIR RAYMOND, OUR SAFETY EXPERT

HE WILL ELIMINATE HAZARDS THROUGHOUT THE KINGDOM

WHERE WOULD YOU LIKE ME TO START, SIRE?

WITH THE GOLF COURSE

©1994 Blythe/Mark Blythe

Panel 1:
 MAN 1: PASS, YOU KNOT!
 MAN 2: SAY, PHIL, IS THIS BOK A TAX DEDUC-
 HA, HA!
 TION, TOO?
 GOOD QUESTION, JIM. LET ME CHECK.

Panel 2:
 MAN 1: PASS!
 MAN 2: HBY, IS ANYONE HERE HAVING ANY FUN?
 WHERE'S THE SCOTCH?

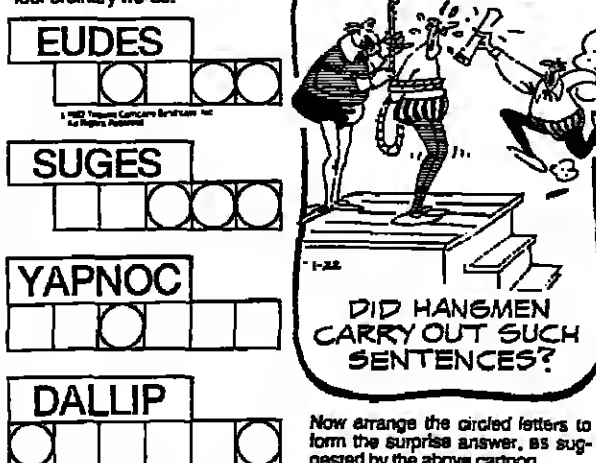
Panel 3:
 MAN 1: HECK, NOOO!
 MAN 2: WE'RE WORKING!


Panel 4:
 MAN 1: HA, HA, HA,
 HA, HA!
 MAN 2: YUK, YUK!
 IT'S A DEDUC-
 TION.

© Bob Mankin

TUMBLE THAT SCRAMBLED WORD GAME

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

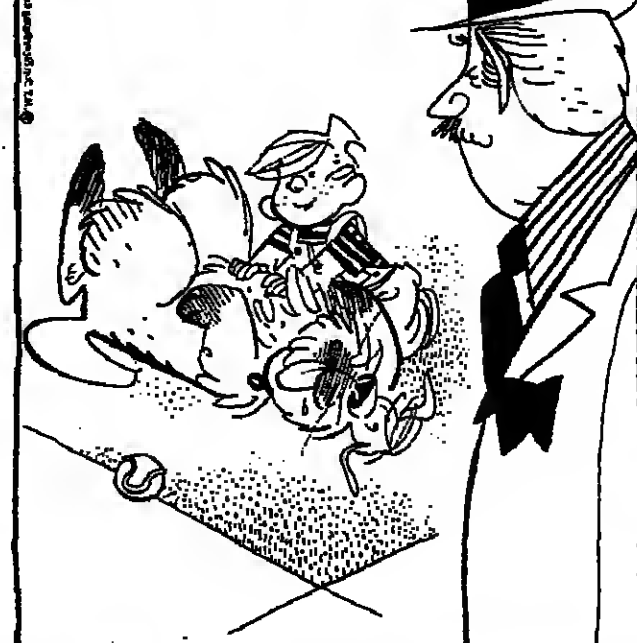


Answer:  ONE

Yesterday's Jumbles: PRIOR MAUVE FORGET DULCET
Answer: Words you might get from Voltaire—

Wanda you might get from TONYA
"I LOVE ART"

Katchikan
1-22



"I'M NOT SURE ~~WHAT~~ BREED HE IS. I THINK MAYBE HE'S ALL THE BEST KINDS ROLLED UP INTO ONE DOG!"

MERMAID

By Margaret Millar. 215 pp. \$11.50.
William Morrow, 6 Henderson Drive, West Caldwell, N.J. 07006
Reviewed by Anatole Broyard

IN Margaret Mular's "Mermaid," people trade punch lines instead of punches, and some of the humor derives from the question of whether her anti-heroic investigator Aragon can continue to be faithful to his wife under the pressure of all the predatory women one meets in suspense novels.

In the better private eye or spy fiction, irony is becoming the principal weapon of the protagonist and Aramburo is a good example of a man born for irony. He is a Chicano, "a Chicano in horn-rimmed glasses," as one character puts it. His method of investigation is to ask questions and then listen to the answers. He is a psychoanalyst and can read and often sift through the ensuing guilt.

In "Mermaid," Aragon is lured by a rich and powerful businessman to find his young disturbed sister Cleo, who has escaped from the special school she attends. He is afraid that in her innocence, Cleo will become a victim of at least one of the world's various forms of cupidity.

Cleo's innocence is so attractive, so sexy, that it tempts Lennard, one of the school's homosexual counselors, to try to marry her. Like all the other tormented people in this book, Lennard has an unreasonable father. Cleo's brother, who acts as a father figure over her, is also a victim. Her father is threateningly male; Donny, a disturbed boy in Cleo's school, has an under-protective playboy for a father.

Miller, who is married to mystery writer Ross Macdonald, seems to be

moving in on his turf, for he specializes in the runaway adolescent. Though they are well-written, his novels sometimes make it seem as if the adolescent were the principal victim of crime in the United States.

Miller may not feel the same. In her hands, *Cleo* seems more like what Rollo May calls "pseudo-innocent"—a term he originally applied to the flower children or hippies of the '60s. May sees pseudo-innocence as a fraud, a begging of all the basic questions in American life. One might go

Further and say that Cleo's insanity resembles a sort of ultimate or exacerbated selfishness, an unwillingness to share common disciplines or frames of reference with Mrs. Holbrook, who runs Cleo's school, asks "How many lives should be warped for the sake of one disturbed child?" she seems to be reacting against what might be called the psychopathology of American youth.

Solution to Previous Puzzle

1st U.K. Restaurant Wins 3d Star From Michelin

From Agency Dispatches
LONDON — After 71 years, the

Michelin organization has found a British restaurant worthy of a three-star rating. The winner: Le Gavroche in Mayfair, where lunch goes for £16.50 (about \$31) — not including wine.

"We shall not even be raising our prices," chef-owner Albert Roux said in response to the award, to be published Jan. 27 in the 1982 Michelin "Red Guide to Great Britain and Ireland."

The gourmet inspectors of the Michelin guide also promoted two more German restaurants to the three-star category. The newly released 1983 Germany guide grants the accolade to the Goldener Pfug in Cologne and Tantris in Munich. The only previous three-star rating in Germany was for the French cuisinier at Aubergine, also in Munich.

By Alan Truscott

It is 3 a.m. and George Steinbrenner is pitching for the Yankees in the World Series. To make it harder for his opponents to run the bases, he has hired two more top teams to play on the same field simultaneously, at right angles.

This is clearly a bizarre nightmare, perhaps the product of an excess of Christmas spirit. But something comparable was happening 12 days ago at a bridge tournament in Reno, Nev., and some of the world's best players were involved.

Playing the Steinbrenner role was Mel Skolnik of Newport Beach, Calif., a 38-year-old financier similarly endowed with great determination and a willingness to spend large sums of

money in pursuit of his goals. At the first tournament of 1981, soon after attaining life-master rank, he made up his mind to win the \$100,000 McKenney Trophy, awarded to the player winning most master points in a year. Among the names on the trophy were names of players who had won the game: Charles Goren, Helen Sobel, Oswald Jacoby, Tobias Stone,

Stolklin planned a Napoleonic campaign against the "traitor" Paul Soloway, both previous McKenney winners, as his chiefs of staff. Among his junior officers, acting section in several ways, were the "Big Boy" of the World, Ron Smith, Bobby Levin, Peter Weichsel, Garey Hayden and Gaylor Kastle — enough talent for two World

All went well for six months, and Skolnik led the race. But then Barry Crane, the match-point wizard from Hollywood who has the world's biggest collection of mass titles, made a strong bid for his fifth title. Skolnik tried, but his fifth title was a tiny title, though trailing by 356 points. When the year's final tournament began in Reno on Dec. 26, he trailed Skolnik by 125 points, a margin that was likely — but not certain — to be decisive.

Crane scored heavily by winning two pairs events and placing second in another, but Skolnik stayed ahead by winning the knockout teams. His lead was 41 points at the start of the concluding event, the Swiss Teams. Three hours from the end of the tournament and four from the end of the year, Crane still had a chance, but he could not quite manage the victory that would have sent him to the McKenney Trophy over Skolnik.

		NORTH	
		♠K43	
		♥KJ752	
		♦AK96	
		♣3	
			EAST(D)
			♠AJ1095
			♥Q83
			♦8
			♣AJ72

	WEST	
♠	Q82	
♥	4	
♦	—	
♣	KQ108854	

In the scramble for points, both players were competing in every possible event, sometimes beginning play at 8:45 a.m. and ending at 3 a.m. Some unusual strategies were developed for the occasion. While Skolnik competed in the non-smoking division of a pairs championship, some of his troops were assigned to the smoking division in an attempt, vain as it turned out, to prevent a Crane victory.

A more unusual case of running interference occurred in a baseball

